



European View

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Sustainable Europe: Cross-cutting strategies for a future-proof Union

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Mikuláš Dzurinda

In recent years, the EU has been confronted with a series of unprecedented challenges—many of which are still ongoing—which have exposed our weaknesses but at the same time have prompted a united and determined response to overcome them together, as a Union.

When the Covid-19 pandemic hit, we pooled our resources to ensure that every European citizen had access to medical equipment and vaccines on an equal footing. NextGenerationEU was a groundbreaking tool designed to tackle the social and economic consequences of the Covid-19 crisis. Faced with Russia's unjustified aggression against Ukraine, we stand together as one to support our neighbours in their fight for freedom, for democracy and for a European future.

While it is true, as Jean Monnet said, that 'Europe will be forged in crisis, and will be the sum of the solutions adopted for those crises' (Monnet 1976, 488), I believe it is now time to pass from crisis-management mode into a new, broader vision which will allow the EU not just to survive but to thrive. The project for which Monnet and the other founding fathers laid the basis is being put to the test by the threat posed by authoritarian regimes; by bold if not unfair practices from our global competitors; by the increasingly visible effects of climate change; and by the transformations brought about by the digital transition, migration and our ageing populations.

More than ever, we need new ideas to strengthen our democracy, foster peace and stability in our neighbourhood, defend our European way of life and ensure our continent has a leading role on the global scene.

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As we approach the 2024 European elections, we want to provide a comprehensive and forward-looking approach for the legislative term 2024–9. In this context, the Martens Centre for European Studies has undertaken a thorough assessment of seven areas in which our Union needs to be made more sustainable.

Sustainability is a fashionable concept nowadays but it has too often been limited to the sphere of climate change and nature preservation. This is, of course, an important dimension of the debate, but at the Martens Centre we aim to enlarge the debate to encompass all the policy domains in which we are confronted with vital challenges which demand immediate attention: defence, digitalisation, debt, de-risking globalisation, demography, decarbonisation and democracy—our ‘7Ds for Sustainability’ (Hefele, Welle et al. 2023).

For each of these areas, we have put forward five programmes, each comprising five concrete and practical projects. We hope these will provide essential background information for the negotiations between the new European Parliament and European Commission, and serve as a point of reference for policymakers during the next legislative term. Furthermore, we will keep updating this document and using it as a reference for the annual planning process of the Martens Centre’s research and events. Our goal extends beyond merely shedding light on these crucial issues; rather, we intend to provide practical programmes and strategies to build a resilient and sustainable Europe.

In this framework, we have asked seven of our authors each to dwell on one of the seven ‘Ds’. The authors have made sure to reflect upon the projects and programmes presented in our paper and provide a wider perspective. You will find the results of their analysis in the subsection titled ‘The 7Ds for sustainability’. The main section of this issue contains other articles related to a broad conception of sustainability.

I hope you will enjoy reading both the main and current affairs sections that together complement the *European View*, and that you find this issue engaging and insightful.

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The future of the centre-right in Europe and the 7 Ds

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Abstract

The party-political structure in Europe is in full transition, with a slow, but consistent strengthening of the right and extreme right on the continent. This poses important questions, not only about the political dividing lines that separate these spaces, but also about what constitutes the dividing line that sets the European People's Party apart from both. The key argument is that the European People's Party can be understood as the political space that defends European integration, the transatlantic partnership and the democratic order that was established after 1945, and is the political project for reconciliation in society, reconciling the seemingly irreconcilable through concepts such as the social market economy, subsidiarity, personalism and federalism. Sustainability across policy areas, reconciling the present and the future, is thus the necessary complement.

Keywords

EPP, Right, Extreme right, Sustainability, EU

Introduction

Does the party-political structure on the centre-right and right in Europe follow logic? And if the answer is yes, how could it be described more precisely? What are the hard content borders between political families that cannot be crossed?

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There are evidently different perspectives from which these questions can be answered. Mine is the perspective of a practitioner who has dealt with or at least closely observed these issues for more than 30 years: as president of the umbrella organisation of the European Young Christian Democrats and Conservatives in the early 1990s, as secretary general of the European People's Party (EPP), as secretary general of its parliamentary group in the European Parliament and then for more than a decade as secretary general of the European Parliament itself.

In the second half of the 1990s my prime responsibility as secretary general of the EPP was to establish the party for the first time in direct elections as the leading force in Europe. Through a policy of 'mergers and acquisitions', this aim was achieved in the European elections of 1999 and laid the foundations for the dominant position of the EPP in the EU for the next quarter of a century. This was an indispensable precondition for the successive presidencies of the European Commission held by José Manuel Durão Barroso, Jean-Claude Juncker and Ursula Von der Leyen.

Political parties joined the EPP on the basis of its political programme as adopted in Athens in 1992 (Jansen and Van Hecke 2011, 283–317). They came from both the liberal and the conservative sides of the political spectrum and their respective European political organisations.

The Portuguese Social Democratic Party (Partido Social Democrata) as well as the Alliance of Young Democrats (Fiatal Demokraták Szövetsége) from Hungary left the Liberal International and its European branch and switched to the EPP. The Nordic conservatives and the French Rally for the Republic (Rassemblement pour la République) had long cooperated in the European Democrat Union before they fully integrated into the EPP and that Union was dissolved. Equally Forza Italia (Forward Italy) was also admitted to this enlarged EPP.

The EPP thus branched out in two directions at the same time and absorbed parts of both the liberal and the conservative families in Europe. Ultimately the party's development followed the model of German Christian Democracy, which had become established after the Second World War as a union of Catholics and Protestants and therefore needed to embrace both the Catholic Christian–Social and the Protestant conservative and liberal traditions.

This branching out also marked the departure from nominalism. It was no longer sufficient to have Christian or Catholic in the party's name to be admitted. Consequently a number of applicants from Central and Eastern Europe which had labelled themselves Christian or Catholic, such as the Polish Christian National Union (Zjednoczenie Chrześcijańsko-Narodowe), were rejected on the basis of their hostility to European integration.

This departure was a practical necessity. Lawmaking in the European Parliament requires the formulation of common positions, especially on European integration.

How did things work out in practice?

All the new partners integrated well in terms of parliamentary work. Liberal, Christian Democrat and Conservative did not prove to be fundamental dividing lines in daily practice, but useful complements in the widened EPP. Forza Italia even became the most loyal delegation in the group based on voting patterns. The enlargement strategy was vindicated, but the question of European integration did ultimately prove to be a hard demarcation line.

Both the British Conservatives and the Hungarian FIDESZ national leaderships turned increasingly against European integration. It is accurate to say that they were hostile more than sceptical. The British Conservatives left the parliamentary group in 2009, taking a nationalist turn as a prelude to the country leaving the EU after the referendum in 2016. Viktor Orban's campaign of hatred against Jean-Claude Juncker and his cosying up to Vladimir Putin and Marine Le Pen made FIDESZ's relationship with the EPP untenable. Orban's undermining of democratic checks and balances inside Hungary itself completed the picture.

The real dividing line, therefore, is not Conservative, Liberal or Christian Democrat, but European or nationalist.

The nationalist space divided

Within that nationalist space, the real dividing line has principally been between pro-American and pro-Putinist positions in the external dimension, as well as—largely linked—between constructive engagement with the EU or systematic opposition to it in the internal dimension. This has resulted in the creation of two separate political groups within the European Parliament.

The extreme right within that nationalist space can therefore be characterised as a double-system opposition: undermining both the transatlantic partnership and European integration. The political order established after 1945, with democracy, human rights, the rule of law, freedom of the press, pluralism, the transatlantic partnership and European integration as its key components, has more than proven its value. After more than 70 years, questioning this can no longer qualify as conservative. If a claim to conservatism can be made on the extreme right, then it is only in the sense of pre-Second World War concepts. That is, conservatism as authoritarianism and illiberalism.

It is a nationalism that promises to protect through closure, and is attractive to those left behind. It is how Donald Trump won his majority the first time around, by appealing to coal and steel workers. It is why Marine Le Pen is elected in the former Communist heartland of coal-mining northern France. And it is how Boris Johnson broke the 'red wall' of former Labour constituencies in industrialised northern England. It is Social Nationalism.

Is change possible?

Following the Russian aggression against Ukraine, this division in the nationalist space might be overcome and a larger bloc emerge. Putinism is no longer a viable option in civilised Europe.

But equally, the necessities of government can lead to moderation and learning and a more open attitude towards European integration. This is where the leading parties of both the Czech and the new Italian government seem to be heading. Thirty years after the collapse of Christian Democracy (Democrazia Cristiana), the Italian political landscape is still in full transition with an undecided outcome.

Political parties have moved to the nationalist right as explained above. But the opposite is equally true, has happened and remains a possibility for the future. The successful transformation of the Popular Alliance (Alianza Popular) in the post-Franco era to the moderate and pro-European People's Party (Partido Popular) is the most striking example. José María Aznar restructured the Spanish political space by uniting his Conservative party with smaller Christian Democrat and Liberal formations. The full embrace of the post-1945 political order, including European integration, is the necessary precondition.

The stability of the EU's political system depends on the self-moderation of more radical political movements towards the centre, both on the left and the right, and such moves should therefore be encouraged and welcomed. Greece's Coalition of the Radical Left—Progressive Alliance (Syriza), which originated on the far left, did this during the financial crisis, accepting the need to conduct the necessary reforms to allow Greece to stay in the eurozone. Sinn Féin will have to do this as well, if it ever wants to govern Ireland.

In practice, the transformation to constructive player equally opens up the possibility of addressing legitimate questions more successfully. The importance of the external border of the Union and its protection, limits to migration and the lack of public services in rural areas are just some of them.

Why is acceptance of European integration so essential?

The European continent nowadays is structured by two principles and two principles only: empire in the east as the expression of Russian imperial and colonial ambitions, and the EU as a Union of citizens and states in the centre and the west, providing shelter and protection and a relationship based on the rule of law. It is no wonder that states such as Ukraine and Moldova are desperate to join the EU as a safe haven. And even those states that have never wanted or no longer want to be members still feel the need to enter into close contractual relationships with the EU.

Empire is not an attractive option for Russia's neighbours, because it is linked necessarily to violence and submission. The concept of empire is an attempt to reintroduce the

rules of the nineteenth century to our continent in the twenty-first century. For all Central and Eastern European countries, the EU is, in a very direct sense, the rescuer of the nation state and the precondition for its survival.

But beyond that, the EU provides all the 27 member states with mechanisms for peaceful conflict resolution and functionalities that they cannot establish themselves. The EU is the necessary complement to the nation state, allowing it to thrive and prosper, as even the British have belatedly started to realise. Together we can defend our interests in a world that is becoming increasingly dangerous again.

The EU is our daily modus vivendi and operandi.

Can the EU protect?

If populist political forces are more correctly described as social nationalists that respond to requests for protection through closure, this raises the question of whether the EU can also protect, but in an open political system.

The recent history of crisis can also be understood as a process of giving the EU the necessary tools to protect. As a consequence of the financial crisis, the European Central Bank can now oversee the most important systemic banks across the member states. It successfully enlarged its toolkit to avoid deflationary pressures. Following the 2015 crisis of uncontrolled migration, the EU now has a European Border and Coast Guard and has managed to enter into well-functioning agreements with neighbouring states to better control migration flows. After the first six weeks of national governments trying to manage Covid-19 on their own, setting up border controls and export restrictions, the European Commission successfully took over and ensured that all member states, rich or poor, big or small, received equal access to the necessary materials, especially vaccinations. Furthermore, the NextGenerationEU programme has provided all member states, but especially those most affected by Covid-19, with the financial means to transform their economies (EU 2023). Russia's aggression against Ukraine has seen the EU taking a leadership role in supporting Ukraine and therefore protecting its Eastern member states, including implementing very severe sanctions, financing weapons and taking bold measures to revitalise the European defence industry. The EU is now undertaking to secure its access to the critical raw materials and technology needed to protect European industry. All of the above examples show that Europe is increasingly demonstrating that it can complement the liberalisation efforts of the internal market with the effective protection of its citizens.

What could the programmatic base of the modern EPP look like?

The enlarged EPP brings Christian Democrat, Conservative and Liberal political ideas together in an integrated political platform. The EPP fully embraces the liberal political

order as firmly established after 1945, including parliamentary democracy, pluralism, the rule of law and minority rights, as well as a general preference for the market over the state, and therefore it can never support illiberalism.

Modern conservatism continues to provide a number of eternal truths: not every reform is progress. There is the wisdom of many generations stored in the existing institutions. Revolutions and extremism have more often than not been recipes for violence, hardship, and the disrespect of human rights and life. Pragmatism and common sense are to be preferred over ideology.

The key conservative ambition is to preserve. Sustainability is the precondition for preservation. What is not sustainable violates justice among generations and endangers our common future. If conservatives want to preserve, sustainability is the way forward.

Christian Democracy is based in essence on a number of concepts for reconciliation of the seemingly irreconcilable in society: the social market economy, personalism, subsidiarity, federalism, the people's party and the party of the centre. Establishing a fair balance in society is the political vocation of Christian Democracy.

There is always a danger that societies give preference to the present over the future. But we have also experienced Communist regimes that destroyed the present in the name of a brilliant future that never came. Sustainability requires reconciling both, today and the future.

Sustainability therefore has to be the key ambition, uniting generations. Sustainability cuts across political domains, is visibly endangered today and needs to address the '7 Ds' as elaborated and published by the Martens Centre, along with 175 precise political proposals (Welle, Hefele et al. 2023). The 'D's are as follows:

- *Debt* sustainability ensures that we are not living at the expense of future generations.
- Our *defence* needs urgent upgrading and an increase in Europe's capacity to at least defend ourselves conventionally in order to guarantee our freedom and lives tomorrow.
- Achieving carbon neutrality through a process of *decarbonisation* while preserving energy security and competitiveness is critical.
- Fair burden sharing between the generations needs to balance out the changing *demography*.
- Our *democracy* is endangered by totalitarian regimes, executive overreach, and the control of traditional and new social media by the few, and it needs active strengthening.

- We need to more fully embrace the *digital* revolution if we want to remain competitive.
- The collapse of the Soviet Union made price the dominant paradigm. This has now been replaced by security considerations; thus we need to *de-risk globalisation*.

Max Weber taught us that politicians need passion (*Leidenschaft*) and balanced judgement (*Augenmaß*). Sustainability will therefore need to be implemented in a sustainable way (Weber 1926).

Conclusion

The EPP is a political project defined by European integration, transatlantic partnership and the defence of the democratic order established after 1945. The EPP brings together people's parties which aim to be the force of reconciliation in society and are underpinned by integrative concepts such as the social market economy, subsidiarity, personalism and federalism. These necessarily have to be complemented by the pursuit of sustainability across policy areas, thus reconciling the present and the future.

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Next for Europe: Defining its own battlefield tactics

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Abstract

Now that European defence budgets are (finally) on the rise, Europe's military circles are faced with one issue that has not been addressed at EU level: how do they want to fight? The US-led NATO alliance rightfully coordinates all doctrinal work in Europe at the moment, but the time to discuss how soldiers and weapons function in larger operations is coming, considering the US's gradual withdrawal amid increasing turmoil in the neighbourhood. Having these field concepts in place would demonstrate the determination and cohesiveness of the Europe of today while shaping the military procurement of tomorrow.

Keywords

Defence, Tactics, History, Europe, NATO, Logistics, Intelligence, Manoeuvres, Foresight, Procurement

Introduction

On 24 February 2022, Russia launched a full-scale invasion of Ukraine that shook European defence planners to their core. The EU was then in the process of ratifying a brand-new document entitled its 'Strategic Compass'. In its introduction, the latter stated that Europe's main threat was 'dysfunctional governance and contestation in our wider neighbourhood and beyond, sometimes nourished by inequalities, religious and ethnic tensions, increasingly entangled with non-conventional and transnational threats and geopolitical power rivalry' (EEAS 2022, 17).

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Based on that vision, quasi-outdated before the release of the document, the Compass called for the creation of an EU Rapid Deployment Capacity of 5,000 soldiers—‘an actionable proposal’, Josep Borrell, the EU’s chief diplomat, defensively claimed (EEAS 2022, 6). An operational ramp-up has been set in motion, but with just 5,000 troops involved, what can Europeans truly learn about their own fighting ways? We are far from the 60,000-soldier target set at the Helsinki European Council of 1999 (European Council 1999), and even further away from the 600,000 (Ukrainian and Russian) troops currently fighting in Ukraine (Gros and Tourret 2023, 21; Tenenbaum 2023, 18).

So far, the EU has only carried out small-scale crisis-management or post-conflict operations, and these deployments have shied away from the larger combat scenarios of today and tomorrow—scenarios that will force Europeans to recover their old tactical skills. To make the case for a truly European Tactical Compass, this article will first present some assumptions about the near future. It will then define the term ‘tactic’. Once these foundations have been laid, three points of attention will follow: (1) on the balance between defence and offence in battle, (2) on the need to revitalise European land forces, and (3) on the hazardous seduction of full intelligence knowledge. Finally, recommendations will close the analysis.

As part of the research into the concept of sustainability launched by the Martens Centre with its ‘7 Ds’ project (Hefele, Welle et al. 2023), the article attempts to show how Europeans could ramp up their military cooperation on a doctrinal level.

Assumptions

The following assumptions about the near future have been made for the purposes of this article:

- The US will likely continue to deprioritise Europe—today’s support for Ukraine being the exception to the rule. Several underlying trends support this hypothesis. The first is the acceleration of America’s ethnic diversification, whereby its European-enthusiast white population is expected to fall below 50% by 2045 (Frey 2018). Second, several polls have indicated that US voters have increasingly volatile feelings about foreign engagements. Republicans also express more persistent isolationist feelings (Daalder et al. 2022, 19). Third and finally, the US military presence abroad is already on a downward trend: since 2008 Pentagon bases in Asia have employed more personnel than those in Europe and the gap is increasing (Allen 2021).
- The severity of the effects of climate change will likely increase all over Europe, but particularly in the Mediterranean region where soil draining and coastal flooding are already provoking water and/or cereal shortages, thus destabilising and already constraining Southern Europe and the Middle East (IPCC 2022, 2242).

- The growing scarcity of fossil fuels and rare minerals (Shift 2021) will further contract global supply chains and make any military efforts more costly and difficult to sustain. With poverty on the rise, violence will likely become more desperate and unpredictable as the risk increases of fragile states collapsing or of populations rallying behind authoritarian solutions.
- As a wealthy and innovative part of the world, geographically connected to the Eurasian continent, the Middle East and Africa, the EU will face increasing security threats from its neighbourhood in the coming decades—both from the east and the south. However, Europe should still be backed by the US's (scaled-down) support and by its ability to disrupt our century's downward trajectory through technological breakthroughs.

Defining tactics

Before any physical shock, that is, the shock of metal driven by courage, war is an intellectual struggle. There is nothing more fascinating than seeing Napoleon's offices at Fontainebleau or Malmaison full of books—on philosophy, physics, theatre plays, military history, agronomy and so on. The French emperor even carried a cherished fraction of this library in a small trunk during battles.

Today, however, relying perhaps too much on the US's intellectual resources, Europeans have lost this appetite for thinking about warfare and doctrines. The terms 'tactics' and 'tactical' barely appear in EU security and defence documents. Accordingly, today's command systems are mostly defined by Russian and American politico-military manuals: a strategic level that links objectives set by political leaders with a broad military design; an operational level that coordinates the different geographies to bind the different theatres of operation together; and finally, a tactical level that wins (or loses) local battles (Yakovleff 2016, 34–42).

Paraphrasing the late Prussian military thinker, Clausewitz, one should be reminded of the obvious aim of all this ink: imposing one's will on the opponent, tactical warfare being the level that decides victory (Aron 1987, 33).

Nothing groundbreaking in any of this so far, yet now that Europeans are taking back the long-abandoned field of defence, one of their first challenges is to reclaim its references and its semantic field. It is dangerous to plan military operations based on concepts established abroad—concepts that are disconnected from the actual means at our disposal, and also disconnected from the particularities of our geography and our history. From this point of view, the psychological block that is the Second World War must be overcome, most notably in Central Europe. Shame or guilt cannot be a guiding star: all of Europe's past should be studied to prepare for tomorrow's battles.

The next three sections will exemplify this argument.

Remembering defence

Let us start with a quick detour through sports. Notice the difference between the evolution of US-led games (basketball, boxing) and of European ones (football, rugby)?

There are now so many fouls whistled by referees in basketball that its defenders have become powerless, and Mohammed Ali's old, thick boxing gloves have been replaced by the more brutal Mixed Martial Arts, where all kicks are allowed (Hehir 2021; Chopra 2023). Meanwhile, France currently wins a lot of rugby and football games, often with limited ball possession but always with a strong defence. The latter may be frustrating for opponents to watch, but few fans will say at the end of the game that France did not deserve to win. Europeans respect defence.

This transatlantic delta is no coincidence: it reveals deeper subconscious choices driven by where the two sides currently stand on the world stage. Americans live on a powerful entertainment-galore island. Europeans face a more tragic neighbourhood with numerous challenges or adversaries either connected directly by land or by a 'narrow Mediterranean river' (Braudel 1949, 267).

This cognitive gap leads to differences of opinion that can be found at the heart of NATO's tactical manuals. Recent (US-inspired) editions correlate offensive tactics with 'a proactive mindset . . . that fosters confidence and a culture of success and achievement' (NATO 2019, 31). Another NATO doctrine explains the 'manoeuvrist approach': an impressive 'combination of fire and movement' that seeks to disrupt the enemy's centre of gravity instead of gaining ground on the opponent (NATO 2022, 37–41).

Yet, such a planning mindset requires ammunitions or logistical means that one does not necessarily have and assumes that the enemy will be defeated at a pace dictated to him. Therefore, by systematising offence and indirectly equating defence with a losing attitude, one may rush into a deadly offensive trap while failing to grasp the potential of early defensive opportunities: on certain occasions, commanders may want to sacrifice space to gain time (to expose the attacker's plan, identify logistical vulnerabilities, impose a higher attrition rate while waiting for reinforcements, etc.).

Europe's history is filled with heroic and (sometimes) successful defensive manoeuvres. These include the Duke of Wellington hiding his infantry behind a Waterloo hill before the final blow to Napoleon (1815), the stone-faced General Joffre transferring thousands of French troops to block and repel the German offensive at the beginning of the First World War (1914), the incredible Finnish guerrilla tactics that slowed down and exhausted Soviet winter attacks (1939–40), and Germany's solid mountain lines of defence against Allied soldiers in the Abruzzo during the Second World War (1943–4).

Everything compels Europe to have an open mind with regard to both attack *and* defence postures—its numerous rivers, the height of its mountains, the forested depth of certain plains, the variety of its mentalities and related behaviours, the resilience of nearby adversaries who are not afraid of death and destruction, or, on the contrary, who

can be misled by a certain imperial romanticism. The Ukrainian Army has recently joined this long European tradition by resisting Russian aims (2022–3).

Rebalancing towards land forces

These frictions over the philosophy of combat often stem from the following dichotomy: the fascination of the US (and Britain) with air and naval power, while the European continent has to spread its resources between air, naval *and* land forces—or between land and air forces for landlocked nations (see Table 1).

Yet, observing the European countries in Table 1, one notices the budgetary importance attributed to naval and air forces in the North and West of Europe, while the East primarily focuses on land force expenditure (with the exception of Slovakia). Our calculations show that the East allocates close to 60% of military funds to its land forces, while that percentage stands at 36% in Western Europe and at 37% in the North. Obviously, the absence of or limited nature of coasts plays a part in these variations, but for the East it is also about matching its own threat perception—as countries with imperial dreams such as Russia and Turkey tend to throw their military weight behind land units as well (see bottom of Table 1).

The table shows that EU institutions are, overall, perfectly aligned with US allocations: 26% for land projects, 38% for naval forces and 36% for air forces (EDF 2023). An official EU audit of all (known) European defence investments goes further, assessing that 23% of military spending goes to land projects, 23% to naval ones and 54% to air forces (EDA 2022, 3). If one adds cyber and space to the ‘air’ category, the ratio increases to 57%. Recent statements have supported these budgetary choices: ‘lessons’ from the war in Ukraine rarely highlight the support for infantry or artillery. Command and control, electronic warfare, air and missile defence, and air defence systems often get more granular attention (EEAS 2023).

In this sense, the EU’s capability strategy mirrors that of the US. Air research and capabilities are considered ‘critical’ in many EU documents; identified shortfalls are often either air or navy-related (EDA 2022, 13). As for the aforementioned 5,000-strong Rapid Deployment Capacity, this is merely the size of a US land brigade.

Such funding targets, which constrain the next 10–20 years, have been enacted despite the more terrestrial realities of Eastern Europe and what the war in Ukraine displays every day on our screens—namely the return of infantry, tanks, artillery, military engineering and heavy land logistics. The war in Ukraine has taught us that air dominance is not a given in Europe’s neighbourhood. Redesigning our air forces is vital, but one should be able to plan without them as well.

This poses an intermediate question: is Europe (involuntarily) trying to reach a tactical division of labour by 2030–40, with the East leading land warfare, the North handling air forces, and the South, France and the UK commanding maritime assets, for example?

Table I. Budgetary share of each component in the land, navy and air forces.

	Proportion of budget spent on land	Proportion of budget spent on navy	Proportion of budget spent on air
North			
Finland			
Sweden			
UK			
West			
France			
Germany			
Netherlands			
East			
Bulgaria			
Czechia			
Estonia			
Hungary			
Latvia			
Lithuania			
Poland			
Slovakia			
South			
Croatia			
Italy			
Portugal			
Spain			
Other			
USA			
EU			
Russia			
Turkey			

Source: The author's own calculations using data from MILEX (n.d.), EDF (2023) and UK, Ministry of Defence (2022).

Note: The table indicates the way in which the countries listed divide their total military expenditure between their land, navy and air forces. How the percentage of the total military budget allotted to a specific force by one country compares to that allotted by another country is shown by the shading: the darker the shading, the greater the percentage of the total expenditure allotted. Most budgetary figures used to create this table are drawn from 2022 country reports from MILEX. For those figures taken from the EDF, we have added together the budgetary actions from 2021–3 (EDF 2023, 42). For the UK, figures for 2022–32 were used (UK, Ministry of Defence 2022, 24). Budgetary methodologies differ between countries. 'Space' budget lines were removed from air force calculations.

In the absence of such a clarified and agreed-upon intent, the popularity of air-sea assets, reinforced by America's new efforts to contain the rise of China over the vast Pacific, not only has consequences with regard to uncoordinated equipment levels, but

also damaging behavioural ones for Europeans. ‘Air-to-air combat encourages the annihilation of the adversary’, wrote German jurist Carl Schmitt, ‘in that human contact with the population is broken. Thus [in the heat of battle], there will be a tendency to compensate for the difficulty of limiting the absolute war one is accelerating by making the adversary more criminal than he is’ (Schmitt 1950, 315).

Certain European countries seem fully aware of this risk. NATO’s unclassified doctrines are filled with reservations that make this point. The French, for instance, argue that greater control should be attributed to the land-forces commander in order to tame air and sea effects during battle (NATO 2022, 13). Conversely, in NATO’s targeting doctrine, the US states that the document’s approach (read: Europe’s approach) to protecting civilians is too soft: ‘civilians who take part in hostilities forfeit their protection from being made the object of an attack . . . the US reserves the right to follow US doctrine’ (NATO 2021, 9).

This brings us back to the matter of collateral damage, which troubled headquarters in Afghanistan and the Middle East recently, but also to Europe’s specific military position on the map: with so many neighbours all around, it is ill-advised to be like Michael Jordan in a china shop.

Seeing what the fog of war allows

At this point, military technology experts from the US may reply that Michael Jordan has actually never been so thin and agile. The correlation of brute air force with approximate blunders is in the past, according to them. The ongoing war in Ukraine exemplifies the information dominance that is possible by fusing intelligence sources—human interactions, drones, planes, satellites and electronic data (Gros and Tourret 2023, 59–61)—all processed by artificial intelligence.

Admittedly, the precision of intelligence and of strikes is unheard of. This author cannot deny the power of joint, concentrated headquarters, enabling commanders to make fast and informed decisions.

Yet, adversaries tend to find counter-moves: surface-to-air missiles, telecommunications jamming, spatial lasers to disable GPS tracking and more. What do we do then, as Europeans, if we rely too much on such high-tech equipment whose maintenance is sometimes out of reach? What if a sudden telecommunications paralysis gives opportunities to an adversary with better land forces and a greater ability to use them? What if human field liaisons (replaced by virtual avatars) and old skills such as mental arithmetic or the understanding of local power dynamics were to disappear just at that moment when they are most useful? What will become of human intuition when we have delegated all thought processes to machines, whose costs keep on rising while their supply chain becomes increasingly unstable?

Western countries have obviously been getting used to luxurious habits. Battle Damage Assessments, for instance, come with highly precise figures about enemy casualties: a

critical piece of information in battle. A lot of commentators on the war in Ukraine express huge confidence in them—sharing precise figures for the number of Russian bodies every day on YouTube (UNTV 2023). More realistically, decision-making during combat always takes place in an atmosphere of information overload, stress, cultural misunderstanding, fatigue, misinformation and rumours. The use of sophisticated systems will not replace the need for unpredictable physical engagement in upcoming wars. Europe's adversaries are openly betting on our mental weakness once our initial tech-heavy attack has been exhausted (Benhamou 2015).

And so ‘what is the point of accumulating knowledge if we become more cowardly in the process?’, asked French philosopher Montaigne (1580, 263). This is still pertinent, five centuries later.

Conclusion and recommendations

Europe should reconnect with its past and adapt the EU's defence plans to suit local parameters—Russia, the Middle East, Africa, climate change, and European topography and mentalities. Not doing so would be to risk developing the wrong weapons and preparing for the wrong battles.

I make three recommendations based on this assessment:

1. The EU Military Staff should step up on the matter of tactical doctrines and work with experienced NATO counterparts on this front. The Concepts Directorate or Operations Directorate could arrange for a European build up both within and outside of NATO, demonstrating to our American partners that Europeans are capable of planning larger operations with autonomy and responsiveness.
2. Although insufficient in volume and removed from kinetic ambitions, the EU should make the most of the upcoming operational-level exercises in 2023, 2024 and 2025. Testing the EU Battle Groups and the EU Rapid Deployment Capacity is the first step on this long and winding road (Howorth 2023).
3. An annual conference, perhaps entitled ‘Europe's Battlefield Conversation’, should be organised, at which EU member states could share threat assessments, anticipate tactical postures and adjust weapons systems with the European Defence Agency and NATO allies. In terms of location, I would suggest Potsdam, to draw inspiration from Frederick the Great himself: it offers the home of this tactical innovator as well as French architecture, and is representative of Europe's new military centre of gravity—and is thus both symbolic and energising.

Is it too soon? Are we risking the transatlantic bond with such proposals? Europeans fail to understand that our partners and foes alike only respect willpower. As Americans diversify their geopolitical priorities, Europe's tactical ownership is coming; but will it be at a pace dictated by external events? Worryingly, that is often the case when European defence matters are at stake, but let us leave our hearts open to being surprised.

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Technological sovereignty? Delivering a complete European digital single market

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Abstract

The EU does not suffer from a lack of ambition on digital policy. From ‘strategic autonomy’ to ‘technological sovereignty’, European leaders like to portray the EU as a geopolitical heavyweight on digital. In practice, however, the European digital single market continues to be exposed to many of the fundamental challenges that have plagued it since its inception. The ongoing European effort to draft the global rulebook on tech regulation remains a laudable endeavour, but this has contributed little to boosting the competitiveness of the European digital sector. Many European tech companies still struggle to offer their services outside of national borders and expand their reach to a genuinely European customer base. The EU must tackle inconsistent regulations, close infrastructure gaps, promote investment, and facilitate secure, yet speedy data flows. These issues are integral to helping to turn the digital single market into a tech hub for global business. This article puts forward a number of policy proposals for upgrading the European digital agenda as one of the main conduits for ensuring European economic growth and improved global standing.

Keywords

Digital single market, Tech regulation, Digital infrastructure, Competitiveness, Cyber resilience, Investment

Introduction

Digital laggard. Slow to innovate. Analogue. In recent years, the EU has received its fair share of unappealing descriptions. From the low number of digital unicorns to the limited

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availability of venture capital, the EU always seems to be ‘catching up’. While this cynical view has at times been over-exaggerated by the media and the lobbying networks of third-country competitors, the old continent is indeed punching below its weight in the digital sector. This has not always been the case. For decades European companies were at the forefront of innovation and vital to the supply chains of the global market. State-of-the-art research initiatives and a highly specialised workforce pushed scientific frontiers and gave the EU the confidence of one of the technological leaders of the twenty-first century. However, since the global financial crunch and ensuing eurozone crisis, the EU’s digital clout has started to dwindle. Ruthless (and at times even unfair) competition from North America and South-East Asia has become an additional challenge for European competitiveness.

The European digital tale is a mixed bag of notable success stories, complex challenges and missed opportunities. If one is looking for the main flaw of the Union, the problematic Gordian knot, the answer lies in the lack of scale. The digital single market of more than 400 million Europeans continues to be fragmented, split along state borders, and handicapped by both the conflicting interests of national champions and regulatory protectionism. Even though it has all of the necessary basic ingredients, the EU’s digital ambition cannot flourish enough to become one of the main vehicles for increased economic growth and prosperity across the continent.

To its credit, the EU has tried to solve some of the most pressing issues in the digital realm when it comes to protecting user privacy, safeguarding fair competition and setting out a comprehensive approach to digital governance. Europe has become the international trend-setter and pioneer of innovative legislation for the online realm. However, European policymakers cannot rest only on these laurels. If the EU has managed to construct a digital backbone for online governance through the likes of the General Data Protection Regulation (GDPR), the Digital Markets Act and the AI Act, a new impetus is needed for the upcoming European Commission mandate. The EU needs to put flesh and bulk on its digital skeleton; more meat on the bone is needed if the Union is serious about keeping its position among the international heavyweights in the age of great-power competition.

This article takes stock of certain key indicators when it comes to relevant legislation for the online domain and the overall tech track record of the EU. The text proceeds with a number of suggestions for the collective upgrade of the European digital single market to improve its competitiveness and resilience. The article is part of the Wilfried Martens Centre’s ‘7 Ds for Sustainability’ initiative which provides strategic policy proposals for the European centre-right (Hefeleveld, Welle et al. 2023).

The state of (digital) affairs

The contemporary debate on European digital clout gets easily boxed in by narrow assumptions about the lack of European big tech giants (e.g. ‘Why is there no European Google?’) or the increasing supranational legislation for the online domain (‘Too much tech regulation will kill the future European digital industry’). In order to get the proper

pulse of the European digital market, such premises need to be put in the proper perspective. Additionally, we should assess several other key indicators of the EU's technological competitiveness.

Tech legislation

From a macro perspective, the institutional logic of the EU's digital agenda follows an inherent policy purpose. Europe has tried to integrate the values and regulatory levers of the continental social market economy into the online space. In essence, this innovative legislation has tried to insert the state within the digital realm, setting up the regulatory arbiters that are essential for fair competition. Most importantly, it aims to instil individual rights and responsibilities—providing a sense of order and predictability within the chaotic online domain.

In 2016 European member states agreed on the first comprehensive framework to protect European citizens' personal privacy and sensitive data online (the GDPR). This was followed by a twin effort to make sure that offline rules apply to the online domain (the Digital Services Act) and that digital giants do not monopolise online competition at the expense of European businesses and citizens (the Digital Markets Act). In parallel, new rules are kicking in for trusted data management, while the EU institutions are also closing on the long-awaited framework for AI. In short, Europe has tried to put in place foundational guardrails for the digital economy which reflect its own tenets of humanism, open competition and the rule of law.

There are two main shortcomings to this otherwise laudable and truly European approach. First, the implementation of these rules may remain elusive. The GDPR has been a case study of good intentions and comprehensive norm-setting, but with restricted options for pan-European implementation. From the limited staffing or administrative resources given to national authorities, to the fact that certain data protection authorities are handling a disproportionate number of cases (Ryan and Toner 2020), much is left to be desired on enforcement. This is a cautionary tale for all of the new tech regulations currently in the making.

Second, setting up global tech standards requires not only ambition and legal wit, but also a position of strength. Promoting the global rulebook does not guarantee the EU a place around the winners' table. The widely discussed 'Brussels effect' of Europe influencing the international tech and business environment through regulation (Bradford 2020) holds true only as long as the European market can leverage its global share and economic clout. Brussels likes to see itself as the global referee on tech, but this will count for little if the EU does not also ensure its global competitiveness.

Competitiveness, skills and infrastructure

Looking more closely at a number of key indicators of the EU's digital competitiveness brings about a sense of concern, rather than optimism. Only 2 of the top 20 largest tech

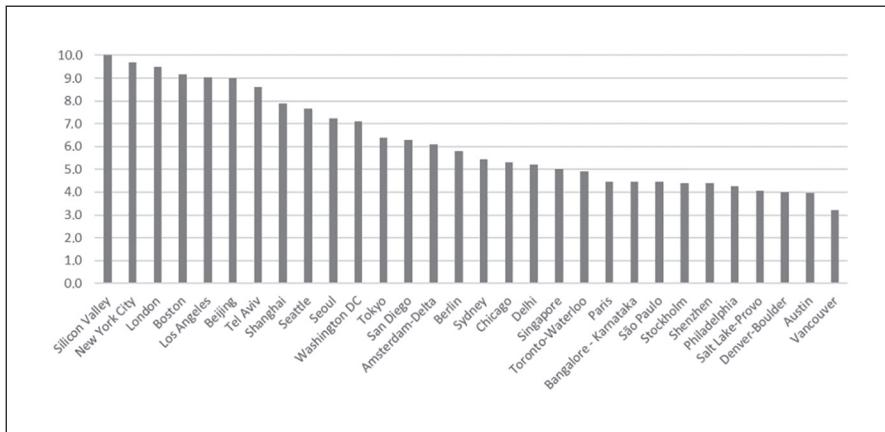


Figure 1. Global start-up ecosystem ranking 2021.

Source: Data from the Startup Genome (2022).

companies in 2022 were European (Ponciano 2022). This negative trend does not only hold true in terms of digital giants with billions of euros of revenue, but is also replicated when we zoom in and explore the European start-up scene. Among the top 30 global cities with the best start-up ecosystems (Figure 1), there are only four European capitals (Berlin, Amsterdam, Paris and Stockholm).

Out of the dozen most valuable unicorns globally, the top five are based in the US, with another four in China, and none in the EU (European Commission 2020, 58). The comprehensive Digital Economy and Society Index report for 2022 concludes that one of the most important factors for boosting Europe's start-up track record is 'exploiting the full potential of the EU single market and overcoming the persisting legal and economic barriers between EU Member States' (European Commission 2020, 61). This recommendation could improve the potential success rate not only of early stage companies, but also of traditional small and medium-sized enterprises and the European financial technology sector (Kuzmanova 2020).

Looking beyond digital unicorns or start-up ventures, the digital credentials of existing European companies at large is far from impressive. The latest available pan-EU official data on the adoption of advanced technologies such as AI or big data as part of the operations of European enterprises show a dismal performance (Figure 2). In numerous instances companies lack the finances, labour force or operational resolve to implement innovative digital technologies in their workflows.

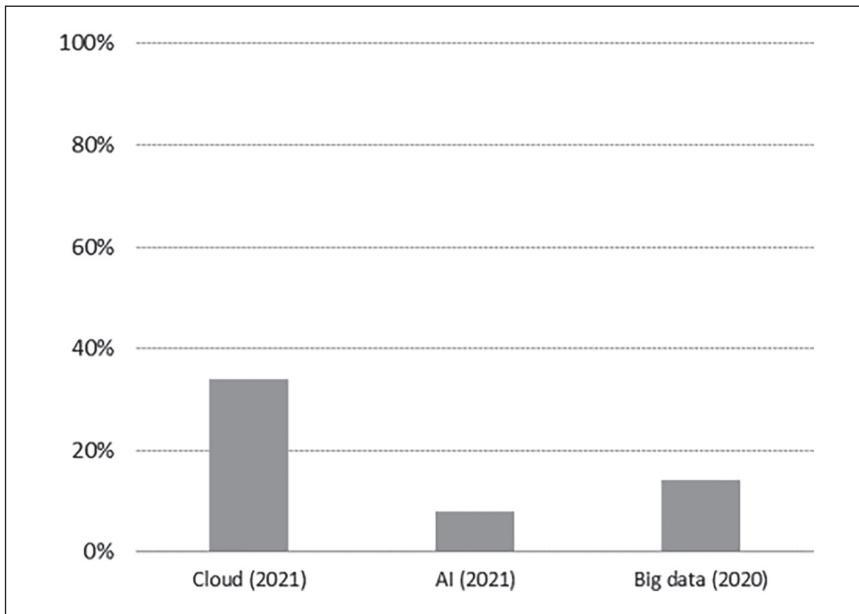


Figure 2. Adoption of advanced technologies (% of enterprises) in the EU, 2020/21.

Source: Data from European Commission (2022).

This trend is exacerbated by the fact that there is still a shortage of properly qualified information and communications technology (ICT) specialists across the EU. More than 60% of European companies reported that they had difficulties filling ICT vacancies (Eurostat 2023). Unfortunately, this might become an embedded problem as the basic digital literacy of European citizens is rather average. This is not only about geographical inequalities or illustrative of an East–West divide, though. Countries such as Germany and Italy register some of the most unsatisfactory results overall (Figure 3).

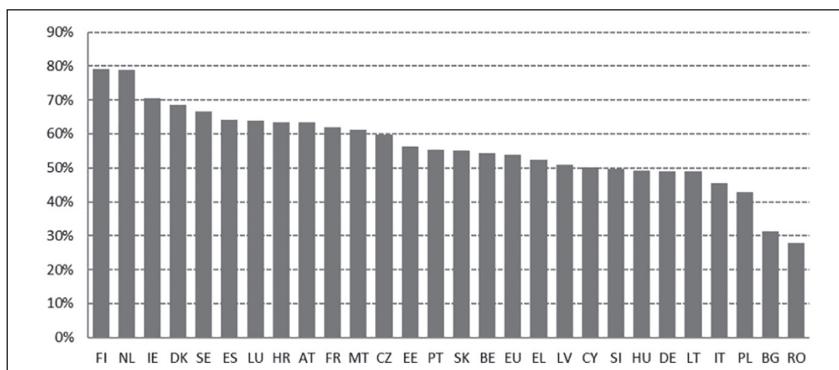


Figure 3. Percentage of individuals having at least basic digital skills, 2021.

Source: Data from European Commission (2022).

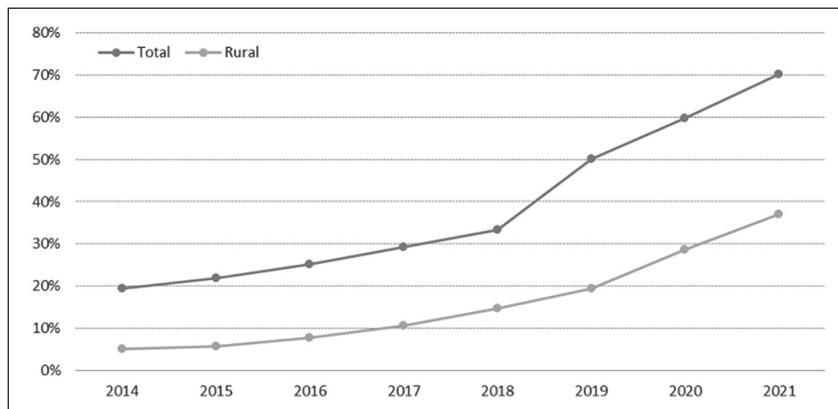


Figure 4. Fixed very high capacity network coverage (% of households) in the EU 2014–21.
Source: Data from European Commission (2022).

Digital infrastructure is another key indicator which must be considered. While the whole continent has full broadband coverage, only about 70% of households have the necessary connectivity to receive gigabit speeds (Figure 4). More worryingly, there is a clear divide between urban and rural areas, where these numbers drop precipitously. In parallel, the EU is proceeding only slowly with the rollout of 5G as the national spectrum-assignment procedures are sluggish (Myers 2023).

It is important to note that the EU is aware of these trends and shortcomings. The current European Commission has launched a highly ambitious digital agenda for 2030, alongside a number of financial vehicles devoted to digitisation. The Digital Decade policy programme puts forward a number of targets for digital skills, connectivity, infrastructure, semiconductors and key public services. The success of this programme could unlock at least €1.3 trillion in economic value by the end of the decade (Randery 2022). The EU has also not shied away from designating considerable resources for this endeavour. At least 20% of the European Recovery and Resilience Facility mechanism funds have been earmarked for digital investments. More than €120 billion has been dedicated to reforms and investment through grants and loans in the next several years. European leaders have also dedicated €43 billion to bolstering semiconductor capacities and critical supply through the EU Chips Act.

Upgrading the digital single market (2024–9)

Completing the European digital single market is becoming an essential prerequisite for maintaining the EU's global competitiveness in the years to come. What is more, the European digital agenda is directly tied to the EU's growth prospects and opening up new employment opportunities across the continent. If the EU does not revive its drive for technological leadership and digital strength by effectively pooling and expanding its

resources, it will find itself dwarfed by North America and Asia. This would threaten the geopolitical relevance of the EU and be a heavy blow to the economic prosperity of its citizens. A comprehensive push in several vital directions is needed for the upcoming European Commission mandate.

Software

If the previous decade was devoted to pioneering innovative legislation for the digital domain, now comes the time for implementation and the filling of important gaps. The next five years should be about deepening rather than widening. The EU will need to implement extremely ambitious pieces of legislation, such as the Digital Markets Act, the Digital Services Act and the AI Act, which will require an innovative approach to supranational enforcement and put an additional strain on the Commission's staff and internal operations. This will be the ultimate test of whether the EU is indeed serious about operating a successful quasi-federal framework for the digital realm and therefore moving beyond being an aspirational paper tiger.

Additionally, the Commission should deliver on the fundamentals of the digital single market—creating the best conditions for facilitating public/private investment, overcoming fragmentation and reducing the bureaucratic burden for European business. Less is more, and the European Commission should follow up on its Better Regulation agenda in order to simplify and streamline the bulky red tape which is especially stifling for small and medium-sized enterprises and innovative companies. Legislative complexity and legal uncertainty need to be reduced. The completion of the European Capital Markets Union (CMU) is long overdue and a new impetus is needed to finally create a single market for capital and easier cross-continental investment. Accelerating and facilitating access to funding, streamlining existing EU funding, and targeting both at mature technologies, clean tech and cutting-edge innovation should become pressing priorities (Chivot 2023).

Additionally, the EU needs to expand its efforts to deliver a series of digital products which could be beneficial for the everyday lives of European citizens. Initiatives such as the European Health Data Space or an EU e-identity service should be developed in close cooperation with national authorities, alongside a long-term comprehensive effort to improve basic digital skills.

Hardware

Improved digital connectivity, together with secure infrastructure, is an additional priority area. The EU should follow up on its commitment to ensure high-speed digital connectivity across the continent, with a special focus on rural areas. There are visible digital divides which need to be overcome. The financial vehicles that are part of the EU's cohesion policy, the Recovery and Resilience Fund, and the Connecting Europe Facility provide vital opportunities for boosting overall connectivity. Additionally, expansion of

5G infrastructure coverage to all populated areas should be accelerated, while the hardware and maintenance service should be provided by trusted vendors. Given the strategic importance and national security implications of such infrastructure, the EU should double down on its efforts to implement the 5G Toolkit and continue to prevent high-risk vendors¹ from becoming embedded in such services.

Even though the EU continues to have a stake in the design and manufacturing of semiconductors, the continent still faces setbacks when it comes to fabrication technologies and next-generation chip design (European Commission 2021, 6). European member states should improve their cooperation on semiconductors in order to both increase the EU's overall share in the global market and guarantee the sufficient supply of advanced chips, which will be vital for consumer electronics, next-generation vehicles and AI-powered technology. Ensuring the secure supply of vital rare-earth elements and components through boosted domestic production and expanded imports from trusted partners also needs to be high on the agenda.

The Commission should additionally encourage further spillovers and sharing of resources to boost the EU's cloud ecosystem and expand joint efforts in quantum technologies. What is more, the EU should elevate its digital ambition and explore ways of pooling joint resources, technical capacity and human resources in an advanced European research unit dedicated to supporting the EU's long-term competitiveness in the fields of innovation, industry and defence. A European DARPA² should not remain an aspiration, but become a practical reality in the late 2020s. The geopolitical relevance of the EU will be directly linked to its technological leadership and industrial strength in the years to come.

Cyber resilience, deterrence and opposing digital authoritarianism

Cyber resilience is an extremely important, but still under-developed branch of Europe's collective digital agenda. Going beyond the basic notion of 'cybersecurity', the Union needs to ensure that it has the necessary digital defensive capabilities within its borders and is also able to deter the offensive operations of hostile third-country actors and their proxies. EU member states and supranational institutions need to strengthen the necessary legal framework and response mechanisms to protect Europeans from cyber-attacks, compromised online privacy and vulnerable personal devices, as well as illicit tracking and surveillance. The mass-market penetration of affordable foreign (often Chinese) interconnected Internet of Things (IoT) devices may be beneficial for European users but also carries potential vulnerabilities.

The EU needs to finalise progress on the Cyber Resilience Act and expand its efforts on the bolstered cybersecurity requirements for software and hardware products. In 2020, the EU invoked its cyber diplomacy tools for the first time and imposed sanctions against Russian and Chinese individuals for conducting malicious cyber-attacks. The EU

must stand ready to counter such malicious behaviour in cyberspace and have the necessary mechanisms to prevent, deter and respond to external threats in the digital domain. Closer transatlantic cooperation to meet these challenges is needed, together with an extension of NATO's capabilities in defending Allies in cyberspace.

The EU is facing growing challenges in the field of technology and digital policies from the People's Republic of China. The country is developing a unique model of neo-mercantilist techno-nationalism, which goes against the principles of free trade, open competition, and respect for international law and intellectual property (IP) rights (Lilkov 2020). European businesses have continuously suffered from intellectual property theft, cyber-attacks and being deterred from accessing the Chinese markets. If the EU is dedicated to the concept of strategic autonomy it should find ways to strengthen its export-control mechanisms and limit the export of sensitive technologies, which could undermine European technological leadership or be used for authoritarian purposes and directly against fundamental human rights.

The EU and its sovereign member states should boost national and collective efforts on investment screening in the field of key technologies. European member states should enforce the provisions for conflicts of interest and the transparency of funding sources when it comes to joint research or partnerships with Chinese individuals, researchers or academic institutions. Finally, the Union needs to bolster its arsenal by having the necessary supranational tools to sanction or fully ban malicious third-country applications that are acting as tools for foreign surveillance or political propaganda that go against the interests of European citizens.

Transatlantic partnership and international cooperation

When it comes to the international dimension, the transatlantic alliance remains a key pillar for Europe's digital agenda. Some of the most pressing international issues, such as developing international technological standards, securing supply chains for advanced technology, curbing devastating cyber-attacks and implementing export controls on dual-use technological items with military applications, can only be tackled if Brussels and Washington maintain and enhance their ambitious partnership. In this regard the expanded EU-US Trade and Technology Council (TTC) could be a vital tool for pursuing an ambitious joint agenda and expanding bilateral trade, which currently surpasses €100 billion annually in digital goods and services. The TTC has already made progress on items such as trustworthy AI, supply-chain monitoring and joint standards for electric vehicles. An additional effort is needed to grow this joint agenda and turn the TTC into an expanded supranational mechanism for transatlantic deliberation and decision-making.

It is important to note that even though there are huge overlaps in EU-US interests in the digital sector, Europe pursues a different philosophy when it comes to privacy protection and digital market set-up. The TTC should not be used as a pressure point to water

down European tech regulation. Additionally, EU-US tech relations have been hampered by a lack of trust when it comes to data sharing since the European Court of Justice stated in 2020 that the US does not provide sufficient guarantees for the protection of personal data coming from the EU (Lee 2020). The US needs to provide a viable and trusted mechanism that ensures that Europe's provisions are being met.

On the international front, the EU needs to continue its landmark efforts to shape the golden standards on tech regulation and to partner with like-minded countries globally. There is a myriad of potential spillovers or joint interests which could be pursued in the fields of digital trade, infrastructure rollout and cybersecurity. Brussels should additionally boost its Global Gateway Strategy and deliver on its commitment to expand smart, clean and digital infrastructure in a number of partner countries. Efforts such as the EU-Asia Connectivity platform and the enhanced partnership with Japan in the field of digital services, transportation and energy should be strengthened and fully expanded to other countries. Similar ambitious and transparent initiatives should urgently be developed and implemented in Africa with partner countries.

Notes

1. The European Commission has recognised the Chinese companies Huawei and ZTE as being untrustworthy high-risk vendors.
2. The original institution is the US Defense Advanced Research Projects Agency launched in the 1950s.

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Beware what lies beneath: Pragmatic policies for reconciling debt and growth

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Abstract

The EU has a plethora of investment needs. However, the scale of the required investments will not be reached if the EU's financial stability is called into question. This article calls for a set of pragmatic policies which can generate significant economic growth and raise living standards. This growth will be a key ingredient in increasing employment, improving competitiveness and strengthening budgetary sustainability. The associated fiscal space will also contribute significantly to narrowing the investment gap in the next decade and beyond. The article sets out three pillars—stability and governance, growth and fairness, and budgetary accountability—as the key drivers in building a pragmatic economic programme which bridges the gap between fiscal conservatism and future expenditure. It further identifies the need to refocus on the single market as a key economic driver. It also calls for any discussion on further joint EU borrowing programmes to be postponed until funding sources for the existing Recovery Fund are agreed and its overall economic effectiveness can be analysed.

Keywords

EU, Debt, NextGenerationEU, Budget, Multiannual Financial Framework, Sustainability, Own resources

Introduction

On the 21 July 2020—in the midst of the initial wave of the pandemic—the European Council reached agreement on budgetary and Recovery Fund frameworks for the EU

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totalling €1,034 and €750 billion respectively. To be financed by the borrowings of the European Commission on the capital markets, the Recovery Fund was simultaneously hailed as a critical step forward in the creation of deeper European integration and a symbol of solidarity in a time of unprecedented crisis.

At that time the opposition of several member states—Austria, Denmark, Finland, the Netherlands and Sweden—to the non-refundable grant element of the Recovery Fund was viewed as being out of step with the public mood (Dennison and Zerka 2020). However, the events of the past three years have shown how a changed economic and geopolitical landscape—arising primarily, but not wholly, from Russia’s invasion of Ukraine—can rapidly alter underlying financial conditions, unexpectedly increase future spending commitments and challenge the fundamentals of existing budgetary frameworks.

In this context, the Recovery Fund symbolises the seemingly irreconcilable tension between the demands for increased government spending on one side and the need to ensure budgetary sustainability on the other (Matthes et al. 2023). Politically, the debate over the nature of the Recovery Fund highlighted that for some on the left of the political spectrum this ‘solidarity’ was viewed as just the starting point for establishing the principle of leveraged financial instruments at EU level (Stanishev 2020).

This article takes as its starting point the recently published *7Ds for Sustainability: Strategic Policy Initiatives for the European Centre–Right* (Hefele, Welle et al. 2023).¹ The article focuses on the issue of ‘debt’, sketching an approach to achieving a pragmatic political consensus that balances debt sustainability concerns with the requirements of increasing employment and modernising public services.

The basis for the work of Hefele, Welle et al. is formed by the core beliefs of Christian Democratic and conservative people’s parties—a focus on pragmatic solutions, not immovable ideologies, and the desire to be a reconciling and moderating force between both political extremes (Hefele, Welle et al. 2023). These objectives are at the very core of the Martens Centre’s longstanding commitment to the middle of society, or the ‘middle classes’ in European societies (e.g. Siegmann et al. 2018; Drea 2018).

This article is structured as follows. First, taking the events of July 2020 as a starting point, it provides a brief analysis of how the Recovery Fund (and subsequent geopolitical events) has had unintended consequences for the debates about financial sustainability in the EU. The implications of these consequences for the political process in Brussels are also briefly highlighted. Second, three pillars are proposed which have the potential to act as consensus builders in forming a stability-orientated and growth-focused approach to economic policy. These pillars would serve to bridge the gap between fiscal conservatism and increased future expenditures—thus they would be pragmatic policies for reconciling debt and growth. The last section offers some reflections on the potential future path.

Joint debt: beware what lies beneath

Although the soaring (European) political rhetoric surrounding the establishment of the Recovery Fund—'We did it. Europe is strong . . . Europe is united' (Michel 2020)—was reflective of the public health uncertainty at that time, it also represented a belief that Europe had reached a transformative moment of deepening integration (Kaletsky 2020). Even more-detached observers viewed the establishment of a joint European debt instrument as a 'baby step' on the path to a unified eurozone debt market (Calhoun 2020).

However, the events of the three years that have passed since the agreement of July 2020 have highlighted the economic and political risks associated with using an unexpected (public health) crisis to deepen the economic integration of the EU. The outbreak of war in Ukraine in early 2022 (and the associated rise in inflation levels) quickly overshadowed the longer-term implications of the development of joint EU borrowing.

So, while the EU, quite understandably, has been focusing on the conflict in Ukraine and its myriad geopolitical consequences, the impact of the Recovery Fund on the EU's budgetary sustainability is only now coming into focus. And this focus is becoming even more important given the EU's increasing dependence on borrowing to finance its activities. From the ongoing financial support to Ukraine—€18 billion with another €50 billion proposed up to 2028 (European Commission 2023a)—to the increasingly ambitious environmental targets which require at least €1 trillion in investment over the next decade (European Commission 2020), the EU is spending like never before.

And those spending commitments are in addition to the €646 billion allocated by member states to shield consumers from rising energy prices (Sgaravatti et al. 2023) and the, as yet undefined, spending by both Brussels and the national capitals in response to President Biden's Inflation Reduction Act in the US.

The political pressure to further increase public spending remains high. The eurozone budget deficit remains over 3% in 2023, notwithstanding rising interest rates and debts of more than 100% of GDP in six member states.²

In this context, the Recovery Fund and all the EU spending commitments that have followed are already causing significant political tension in Brussels (Drea 2020). If left unresolved, these tensions will result in significant economic dislocation in the years ahead. The key elements in such disagreements will include, but not be limited to

- a) *arguments about how to repay the Recovery Fund.* The continuing delay in introducing increased revenues for the EU (its 'own resources') is weakening the EU's credibility regarding future spending commitments. As of June 2023, only increased national contributions based on non-recycled plastic packaging waste had been implemented. A broader agreement is unlikely before 2026 (Dobreva 2023). Therefore, no significant EU revenue streams are yet in place for repaying the Recovery Fund.

- b) *disputes concerning monetary policy.* Due to rising interest rates, the initial borrowings of the Recovery Fund have already become significantly more expensive than originally envisaged (Pop 2022). Debt servicing costs for EU borrowings in 2024 are estimated to be double the original estimates (Johnston 2023). Leaders from heavily indebted states are also openly criticising European Central Bank policy due to their own precarious fiscal positions (Kazmin and Arnold 2023).
- c) *the negative impact on the EU budget.* The increase in borrowing costs for the EU is now so significant as to endanger longer-term EU budgetary planning. This in turn has resulted in the European Commission seeking ‘top up’ contributions from members states (Reuters 2023), despite slowing economic growth and a rise in support for Eurosceptic parties in many member states.
- d) *the effectiveness of the Recovery Fund.* Despite its clear criteria for investment, the Recovery Fund’s resources remain only partially disbursed. As of June 2023, only €106 billion of grants and €47 billion of loans had been disbursed (European Commission 2023b) or just over 20% of the planned investment package. The Recovery Fund has also been subject to warranted criticisms regarding the nature of the projects submitted by some member states. All these factors cast doubt on the ultimate economic effectiveness of the joint borrowing mechanism.
- e) *widening internal EU divisions.* The Recovery Fund has moved to centre stage in two widening political divisions in the EU. First, it is now an integral financial pressure point in the ongoing battle over ‘rule of law’ concerns in both Poland and Hungary. Brussels’ funding for these states via the joint borrowing mechanism remains suspended. Second, the Recovery Fund has gradually hardened attitudes in key EU contributor states—Finland, the Netherlands and Germany among them—in terms of finding solutions regarding the future governance of the eurozone area. Both these debates remain deadlocked despite the fact that this means that significant structural challenges remain unresolved.

Pragmatic policies for reconciling debt and growth

As sketched out in the preceding section, it is obvious that the EU has a plethora of investment needs in the coming decades. However, the scale of the required investments will be impossible to achieve in the longer term if the EU’s financial stability is called into question. However, this does not preclude additional EU and state level investment in the years ahead. Nor does it imply a return to the ‘austerity’ ideology of a decade ago.

Rather, it calls for a set of pragmatic policies which can generate significant economic growth. This growth will be the key ingredient in increasing employment and improving budgetary sustainability. This increased fiscal space—coupled with targeted investments in key productivity drivers—will contribute significantly to narrowing the investment gaps in the next decade and beyond.

This section sets out three pillars on which a centrist methodology for reconciling debt and growth should be built. The policies proposed are neither radical nor new; rather they involve refocusing on traditional EU policy priorities which have, unfortunately, slipped from view in the years since 2019.

Pillar 1: financial stability through credible governance

The decade from 2008 illustrated clearly the devastating impacts of instability in the financial sector and its spillover effects on whole societies. The costs of this instability will need to be repaid for many years to come in countries such as Ireland, Greece and Spain. To ensure a sound foundation for future investment needs, a core principle of financial stability through credible governance is essential. This pillar comprises two key elements:

1. *Stability through the completion of critical single market initiatives.* The financial structure of the eurozone remains incomplete. The solutions that are required are well known: the Banking Union must be completed, and further work must be undertaken on deepening the Capital Markets Union and regulating/managing emerging assets such as crypto and central bank digital currencies. Although lacking the political visibility of physical infrastructure projects, reducing barriers to the flow of capital around member states is one of the most vital tools for strengthening financial stability across the EU. A more integrated market for capital will widen funding sources for businesses, reduce borrowing costs and increase cross-border investment. All that is required now is the political will to drive these projects forward.
2. *Depoliticised eurozone governance which empowers national capitals.* For over two decades, members of the eurozone have debated its flawed institutional structure and allowed politics to weaken the credibility of its governance structure. Ongoing debates on the current European Commission proposals seem, once again, to be far from resolution (Tamma 2023). A non-theoretical approach is required that is informed by both economic history and political realities. Independent institutions should be given a more important role at both EU and national level (e.g. through the European Fiscal Board and the national fiscal councils). The implementation and enforcement of the Stability and Growth Pact should be depoliticised and a simplified common quantitative benchmark (e.g. a cap on public spending growth if the budget deficit is more than 3%) applied (Matthes et al. 2023). This approach would simultaneously remove political pressures at EU level and make national parliaments assume more responsibility for the consequences of their economic policies. It would also ensure independent enforcement of the existing rules. Perhaps most importantly, it would allow significant public investment in the long run as it would be based on a simplified procedure which offers clearer accountability.

Pillar 2: without growth and fairness we are all dead

A key lesson from the decade of financial crises that started in 2008 is that necessary fiscal adjustments can be undertaken ‘in a growth unfriendly and unsustainable way’ (Thomsen 2019). Given the multiple negative impacts on societal well-being over the last years (the pandemic chief among them), it is imperative that growth and fairness form a central component in building more robust societies. The two key elements of this pillar are:

1. *Breaking down barriers to growth.* As in Pillar 1, the single market has the potential to create jobs, widen business opportunities, stimulate trade and increase living standards across the entire EU. In every economic sector, the deepening of Europe’s internal market is necessary to build on the stalling achievements of recent decades. The single market is the economic engine of the EU’s economy and it should once again be placed at the forefront of the EU’s strategies to build a bigger and fairer European economic space. A truly competitive Europe is a Europe that has the single market at its core.
2. *Intergenerational fairness at the heart of a modernised social market economy.* Since 2008, inequalities between the younger and older generations in Europe have increased significantly (Wolff et al. 2015). The EU cannot afford to allow this trend to continue. At the heart of a modernised economic model must be policies designed to allow younger generations to achieve social mobility, gain secure jobs, buy or rent property at a reasonable price, and save for their retirement. Without these prerequisites, social unrest, and the drift to the political extremes, will increase. Younger generations must be given a chance—taxation, social security and education systems must be updated. Flexibility and the individualisation of public services must be introduced to reflect that the traditional model of education, 40 years of stable employment and then retirement is no longer the predominant one. Leadership must be shown by ensuring that fairer taxation systems are implemented, that is, taxation models which widen the tax base to ensure that the burden is not disproportionately placed on the income earned by working generations. Social security systems must be updated to reflect modern realities—more flexible and affordable childcare, better work-life balance initiatives and reduced taxation for middle-income earners. We have to give younger generations the socio-economic frameworks necessary to succeed and flourish today.

Pillar 3: playing the tune means paying the piper—budgetary accountability

As noted, the scale of the investments required in the EU in the coming decades is staggering. Therefore, a key component in ensuring that a high level of public funding is available is the efficient use of all available financing options. However, a significant proportion of the required spending will be carried out at a national level, either utilising

existing EU funding programmes or through private-sector support. Therefore the key things to consider in this pillar include, but are not limited to:

1. *The fact that discussion of future joint borrowing mechanisms is premature and unhelpful.* It is not appropriate for the EU to consider further joint borrowing programmes when the existing Recovery Fund process remains unfinished. Two immediate issues have precedence. First, agreement on the EU's own resources must be reached as soon as possible to ensure that the Recovery Fund can be repaid in a timely and sustainable manner. Failure to do this will jeopardise the EU's standing in the financial markets. Second, given the increased interest costs associated with the Recovery Fund and ongoing debates about its disbursement and impact, a detailed review of its economic effectiveness should be carried out prior to any decision being made on future EU joint borrowing programmes. This review should also include the process for the selection of projects by national capitals.
2. *That recent history shows the need for a more flexible and responsive EU budget.* The experiences of the pandemic and the war in Ukraine have illustrated the need for a more responsive EU budget to reflect unexpected external events and emerging priorities. In this context, there should be more regular reviews of the overall Multiannual Financial Framework and member states should be granted greater flexibility to transfer unused funding to other designated investment uses.

Charting a path forward

The severity of the socio-economic crises buffeting the EU over the last two decades represents an unprecedented challenge for the European integration process. This article has sketched out a three-pillar approach to building a pragmatic politics for an economics of the centre. These pillars should attempt to act as consensus builders, forming a stability-orientated and growth-focused approach to economic policy. At the core of this proposal is the need to find a balance between fiscal conservatism and increased future expenditures. It is a challenge that must be conquered if we are to avoid burdening future generations with the fruits of our inaction.

Notes

1. The 7Ds are defence, digitalisation, debt, deglobalisation, demography, decarbonisation and democracy.
2. Belgium, France, Spain, Portugal, Italy and Greece.

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Walking on eggshells: The twin transition and Europe's quest to de-risk from China

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Abstract

In March 2023 European Commission President Ursula von der Leyen presented the term 'de-risking' in the context of the EU's future engagement with China. This article examines how Europe should de-risk from China, scrutinising some of the European policies, actions and challenges behind this term and the newly launched European Economic Security Strategy. The article also examines how the EU should counter Chinese activities and narratives, in third countries as well as in Europe, while increasing its own engagement in countries which are crucial for the EU's (twin) digital and green transitions.

The article concludes that the EU should (1) fully implement its current trade instruments before creating new ones; (2) develop a comprehensive method and clear criteria for a common and holistic risk assessment of China; (3) communicate its goals in a transparent manner, especially to those countries and partners which are needed for the twin transition; and (4) refocus its financial instruments to develop concrete meaningful projects in these key countries, either bilaterally or together with other like-minded countries.

Keywords

China, De-risking, EU, Economic security, Green and digital transition

Introduction

The Covid-19 pandemic and the Russian war on Ukraine have laid bare the downsides of a globalised world. In early 2020 the WHO (2020) warned that the disruption to the global supply of personal protective equipment—caused by rising demand,

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panic buying, hoarding and misuse—was putting lives at risk. Thus, to make supply chains more autonomous, it recommended that nation-states created incentives for industries to increase production. Similarly, in 2022 the European Council (2023b) assessed that the Russian war on Ukraine would have a negative impact on the global energy and food markets, as well as on the mobility of people and goods, leading to shortages and higher prices for consumers.

These major events are often used to illustrate Europe's dependencies in critical sectors such as energy and healthcare. As a result of these shocks, the EU has developed several regulations and instruments which aim to increase the 'open strategic autonomy' of the Union. While this seemingly contradictory and country-agnostic term is being debated by academia (e.g. Damen 2022), it seems obvious which countries are the focus of these regulations: during the Covid-19 pandemic the EU was dependent on Chinese manufacturers of personal protective equipment, and at the start of the war in Ukraine, the EU was dependent on Russian energy imports. In an effort to diminish these dependencies on China and Russia, European Commission President Ursula von der Leyen (2023) has stated that Europe must become less dependent on a singular supplier when it comes to key technologies, energy supplies and raw materials.

This effort is a marathon rather than a sprint. Take, for example, raw materials. Currently, China supplies the EU with 98% of its rare earth, 93% of its magnesium and 97% of its lithium needs. These are key materials needed for Europe's green and digital transitions. Similarly, before the war in Ukraine, Russia was Europe's largest supplier of natural gas (45% of consumption; Kardaś 2023) and a major supplier of crude oil. Since the outbreak of war, Europe has largely managed to cut its dependency on Russia. However, as illustrated above, European dependencies in relation to China remain considerable.

Focusing on EU–China relations, this article will examine how the EU understands de-risking and assess some of the pitfalls associated with it. Concentrating on possible solutions, the article will provide recommendations for European decision-makers.

De-risking: old wine in a new bottle or a genuine policy change?

'De-risking', a term previously associated mostly with the banking world, became a buzz-word in Brussels after Ursula von der Leyen (2023) gave a speech on the future of EU–China relations prior to her visit to China with President Macron. Since then, the word has been adopted by many non-European countries, and in May 2023, the G7 leaders incorporated the word into their Hiroshima Leaders' Communiqué (European Council 2023a).

As Gewirtz (2023) points out, 'de-risking' sounds more moderate than 'decoupling', which was used by, among others, the Trump administration. In reality, the term leaves a lot up to interpretation. One might argue that the word is as vague in meaning as the EU's

approach is to China, which it classifies simultaneously as an economic competitor, a systemic rival and a partner in its current China strategy (European Commission 2019). This somewhat contradictory approach allows EU member states room for manoeuvre.

As the term is not well-defined, it may be more helpful to focus on concrete policies to assess where EU relations with China are heading.

Defining ‘de-risking’: from whom or what do we de-risk, why and how?

Hefele, Welle et al. (2023) propose five projects for the future of EU–China relations. These include an assessment of critical vulnerabilities; the de-risking of economic relations, while decoupling where necessary; the development of an effective anti-coercion trade tool; making better use of anti-dumping tools; and enforcing measures against intellectual property theft and the exploitation of EU data.

While acknowledging that the projects introduced by Hefele, Welle et al. are meant as examples for future policies, I argue that the future scope of EU–China relations should be seen through a broader lens. Alongside technical, economic, trade and data issues, other parts of the European way of life will also be affected by the increasing tensions with the People’s Republic of China. Hefele, Welle et al. concentrate their examples in policy areas that fall within the competences of the EU. Nevertheless, the increasing tensions will also be present in policy areas which do not fall under the competences of the EU, but are dealt with primarily at the national or regional levels. For example, in the domain of education, Europe has witnessed a discussion on how China, Taiwan and the 1989 Tiananmen Square protests are depicted in school textbooks. A second example comes from the domain of defence, where Germany and the UK have had domestic discussions about how to deal with retired military staff who now work as consultants for Chinese soldiers. As illustrated by Heinemann (2023), there might be a need to change national laws and regulations, at least in Germany. We can already see how China’s global influence is shaping the information space in Europe. Airlines who want to do business with China and often have connections to Taiwan, do not want to name Taiwan as a country on their websites (Wee 2018). Using the same economic argument, film producers and publishers also refrain from angering China (Jennings 2022). These examples support the idea of having a broad approach to China that is not just focused on the economic aspects.

On the European level there are already several legislative proposals and instruments which, often without naming China directly, can be seen as part of Europe’s de-risking efforts. These cover several of the areas mentioned by Hefele, Welle et al. (2023), and include the Critical Raw Materials Act, the Net-Zero Industry Act, the Anti-Coercion Instrument, the International Procurement Instrument, the Foreign Subsidies Regulation, the Due Diligence Directive and the Foreign Direct Investment Screening Mechanism. Moreover, the EU also aims to de-risk from China by concluding new trade deals with its global partners, including New Zealand, Australia and the Mercosur¹ countries.

The EU has also become more active in areas with which it is not traditionally associated, namely education and countering disinformation. In 2022 the Commission presented its Guidelines for Higher Education Institutions on Foreign Interference (European Commission 2022b). In 2023 the European External Action Service (2023) released its first report on Foreign Information Manipulation and Interference, naming both China and Russia as threats while recommending countermeasures on multiple administrative levels. These two examples from the fields of education and countering Foreign Information Manipulation and Interference illustrate the roles the EU can take on in areas which are not within its core competences, namely collecting information, and advising and guiding other European actors.

The above-mentioned examples show how the opportunities and challenges caused by the currently deteriorating EU–China relations affect all administration levels. Thus, the assessment of risks should also be carried out in cooperation with these different levels. Without understanding the scope of the challenge, it is difficult to develop feasible solutions. This is where the newly released European Economic Security Strategy (European Commission 2023) falls short. In it, the Commission suggests a joint assessment of the risks together with the EU member states, but it does not go into detail about the criteria or methods to be used. Nor does it clearly state which actors can contribute to the assessment or how. Moreover, the assessment will focus on the economic risks, rather than taking a holistic view.

As EU–China relations are multifaceted, cover several policy fields, and cross-cut local, regional and European competences, Europe’s approach should be equally comprehensive and well-coordinated. This is equally, if not more, important when it comes to the EU’s external relations with other third countries.

De-risking and the battle of narratives

When it comes to raw materials, alternative markets and alternative supply chains, both China and the EU compete for influence in the developing world. Such influence is achieved either by taking concrete action or by narrative building, with the ideal being a mix of the two. This section focuses on narrative building in the developing world and in Europe, exploring some of the Chinese and European policies, discussions and actions that have anchored these narratives in the political context.

As noted by Svedrup-Thygeson (2017) and others, China has invested heavily in building new bilateral relations and multilateral China-centric networks in the ‘developing world’, focusing not only on Africa, but also on Latin America, South-East Asia and the European neighbourhood. It is doing this through elite capture, making investments and loans through its Belt and Road Initiative, and shaping the public narrative.

The EU’s response to an increasingly inward and protectionist China has been slow, partly because the Union sees itself as a defender of free markets and the rules-based international order. Thus, it is less willing to formulate policies that might seem

protectionist. An example: China announced its ‘Made in China 2025’ strategy in 2015, in which it stated its aim of raising the domestic content of its core components and materials to 70% by 2025 (Wübbeke et al. 2016). In contrast, it was not until 2023, almost a decade later, that the EU formulated similar goals in its Net-Zero Industry and Critical Raw Materials Acts. It is also notable that in Europe, and especially with regard to the Net-Zero Industry Act, these policies have been seen as a response to the US Inflation Reduction Act, rather than as a response to Chinese policies.

Similarly, Europe has been struggling to develop its own offer for global partners. After launching its ‘Connecting Europe and Asia’ strategy in 2018, the EU announced its ‘Global Gateway’ strategy in 2021. Through this strategy, the EU wants to mobilise €300 billion of investments for high-quality infrastructure, ‘respecting the highest social and environmental standards, in line with the EU’s values’ (von der Leyen in European Commission 2021). In reality, the EU’s engagement in the developing world is guided by a complicated web of different interests. For example, as Puspitasari (2023) calculates, the EU is currently financially more invested in Afghanistan than it was before the Taliban takeover. This non-financial development assistance and humanitarian aid is flowing despite the fact that the de facto government of Afghanistan has closed educational institutes and prohibited the education of girls.

The EU’s narrative about a values-based global outreach has also come increasingly under fire from China’s propaganda machinery. As pointed out by Svedrup-Thygeson (2017), China flanks its engagement in the developing world with an anti-colonial narrative, which often portrays European engagement as neo-colonial or imperialistic, while painting a positive picture of China’s economic rise and South–South cooperation. More recently, Chinese public media outlets have also depicted European leaders, such as the Norwegian NATO Secretary General Jens Stoltenberg, as speaking for the US instead of Europe (*Global Times* 2022). By doing this, China aims to highlight inconsistencies, or what it calls ‘double standards’. This line of argument aims to put Europe on the defensive, explaining its wrongdoings and the consequences of the colonial era. These narratives spread by China in the developing world need to be seen as a part of China’s global outreach, which aims to secure Chinese interests. Europe needs to have an adequate response to this narrative building by China.

When it comes to the narrative about China within Europe, there has been a shift towards more assertive language, as illustrated by von der Leyen (2023). Nevertheless, the strong economic interdependence between China and the EU has also left its mark on the narrative. Sometimes European discussion related to China seems less critical than its narratives about the US, a close ally. To name one example from Germany: during the visit of Chancellor Olaf Scholz to Beijing, Jens Hildebrandt (2022), executive director of the German Chamber of Commerce in China, pointed out that trade with China, and European investments in China, have secured more than one million jobs in Germany. The continual announcement of foreign direct investment (FDI) by major German companies into China, especially in the car manufacturing and chemistry businesses, ensures, according to Hildebrandt, that these companies remain competitive on the global market.

In contrast, when it came to the US Inflation Reduction Act, the German Chamber of Commerce warned of negative consequences for European competitiveness and called for a joint European response (*DIHK* 2023) to protect European manufacturing industries.

The example of these two narratives demonstrates that the tone set by some key industries, and led by a handful of large companies, seems to be tougher and more direct with the US than with the increasingly protectionist China. This is remarkable, especially since FDI from the EU to China amounts to far less than from the EU to the US. In 2021 FDI from the EU to the US reached \$3.19 trillion (Statista 2023), while European FDI to China plummeted to \$0.05 trillion (Huld 2023).

Conclusions and recommendations for future engagement with China

While Ursula von der Leyen's (2023) speech on EU–China relations has revealed the use of more assertive language with regard to China, it remains to be seen how much of the announced de-risking will be translated into concrete action on different administrative levels. Based on the analysis conducted above, the following conclusions should be drawn and recommendations made.

First, the EU should fully implement the current or agreed-upon instruments, such as the FDI Screening Mechanism and the Anti-Coercion Instrument. This is low-hanging fruit that is more reachable than developing new strategies or instruments. To give an example: currently only 18 out of the 27 EU member states (European Commission 2022a, 9) have implemented a national FDI screening mechanism; the remainder are only in the process of doing so, despite the regulation having been adopted more than three years ago.

Second, when developing the newly announced Economic Security Strategy, the EU should focus on creating a common risk definition and assessment of the areas that the EU member states and other actors want to de-risk from. While a common understanding is crucial, it is equally important that common criteria for this assessment are developed hand in hand with industry representatives and with actors from civil society. When it comes to implementing de-risking together with European companies, the EU should strengthen the voices of those outside the handful big companies that are already heavily invested in China. To give an example of the political complexities: in November 2022, 12 senior executives from major German companies accompanied Chancellor Olaf Scholz to China. However, the head of the Federation of German Industries, which represents more than 100,000 mostly small and medium-sized companies, who had published a critical position paper on China in 2019, was not one of them (BDI 2019; Jensen 2022).

Third, the EU should clearly communicate and coordinate with third countries about its intentions and goals with regard to de-risking from China. A focus should be placed on cooperation with like-minded countries and on those that could profit from

the de-risking process while offering possibilities for Europe's own green and digital transition. To counter the Chinese argument of neo-colonialism, the EU should build equal partnerships and clearly communicate its intentions and medium-term goals to external partners, finding mutually beneficial solutions. This does not mean forgetting the past. In order to back up its self-proclaimed goals with concrete means, in its financial programmes (e.g. its Global Europe: Neighbourhood, Development and International Cooperation Instrument) the EU should prioritise countries that can contribute to both the twin transition and de-risking from the Chinese market. The EU does not have to be equally active everywhere.

The EU should take both a bilateral and a multilateral approach to this prioritisation. In terms of the bilateral approach, the EU should fully utilise and possibly increase the number of its Trade and Technology Councils, which it currently operates with India and the US. Moreover, the EU should consult countries with whom it has negotiated green and/or digital partnership agreements. To give an example, in 2020 Japan launched a 'Program for Strengthening Overseas Supply Chains', which can be seen as a part of Japan's strategy to reduce overreliance on China by shifting supply chains to South-East Asia (Japan External Trade Organization 2023; Watanabe 2022). The EU could build on this example. The Union should look into how existing financial streams, such as the Global Gateway, could encourage this kind of 'friend-shoring'. Equally, the EU should utilise networks such as the G7 Coordination Platform on Economic Coercion, announced during the G7 summit in Hiroshima, to plan common programmes and projects with like-minded partners in third countries.

Fourth, the EU should further develop its instruments and trade agreements to match its political aims regarding de-risking and the twin transition. The Global Gateway strategy and the Team Europe approach to external action are a good start, but these initiatives need to be filled with concrete and impactful projects and agreements, visible to the populations in both third countries and EU capitals, as well as in Brussels. With limited resources and often colliding national interests, this will not be an easy task.

Note

1. Mercosur is a South American trading bloc. Its full members are Argentina, Brazil, Paraguay and Uruguay. Venezuela is a full member but its membership has been suspended since 1 December 2016.

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Europe's demography and what to do about it

European View

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Abstract

Among the EU's challenges, demography is probably the least conspicuous. This does not, however, mean that it is unimportant—quite the contrary. While in the past, it was visible only in population statistics, in the 2020s the lack of a labour force has become obvious to anyone with an interest in the European welfare state and the EU's competitiveness. Population ageing, caused by increasing longevity and persistently low birth rates, cannot be addressed by encouraging women to have more children or by bringing in non-EU migrants. These methods are ineffective, and often resented. Instead, the key to improving the state of the EU's demographic and economic prospects lies in increasing labour participation rates. This can be done by pushing up the statutory retirement age and creating the right conditions for older people, women, minority groups and diasporas to enter the world of work. While the latter measures are also not easy to implement, they are still more politically and socially viable than boosting immigration and birth rates.

Keywords

Demography, Population ageing, Fertility rates, Longevity, Pensions, Migration

Introduction

Demography, or the study of demographics, has never been the concern solely of demographers. Up until the 1970s, overpopulation was considered one of the chief global problems (Grunstein 2023). In the twenty-first century, worries about population ageing and the concomitant slowness of population growth have replaced fear of overpopulation as

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the main demographic worry in Europe, most of Asia, the Americas and Australia. The causes of these long-term processes are well known: rising life expectancies and falling or stagnating fertility rates. Today, the world's largest 15 countries (measured by total GDP) all have fertility rates below the replacement rate of 2.1 (*The Economist* 2023).¹ The Covid-19 pandemic led to a sudden decrease in life expectancy in the EU of more than a year and halted population growth (European Commission 2023b, 7). These were, however, likely only temporary phenomena.

The consequences of ageing societies are too multiple to be listed here, but they include a decreasing working-age population, pressures on public budgets and lower rates of innovation (*The Economist* 2023). In a way, this trend is the result of global economic development: it is no longer necessary for parents to have multiple children to sustain them in their old age. Europe is, by far, the oldest continent as a result of high life expectancy—the increase of which was only briefly interrupted by the Covid-19 pandemic—and very low fertility rates (Tragaki 2014).

The slowing population growth, in Europe and elsewhere, might be a good thing. A fixed, or slowly growing, population ensures that economic output can be distributed among a limited number of individuals. It also decreases the pressure on the environment (see Schöttli 2023). The decline in mortality rates is a major achievement (Tragaki 2014). The current consensus, however, is that population ageing and slow population growth constitute disadvantages. Ratios of workers to non-workers are declining across the EU. In many countries, social security systems lack sustainable funding. The generation of people born between 1946 and 1964 will retire within the next 10 years, aggravating the lack of a qualified workforce. In addition, some countries in Southern and Eastern Europe have witnessed sharp population declines due to emigration.

This article represents a contribution to the ongoing Martens Centre project The 7Ds for Sustainability. This project aims to set forth a centre-right vision of sustainability that can serve as a point of reference during the 2024–9 term of the European Parliament.

Mitigation and adaptation measures

Policymakers can consider two principal methods to address the problem of population ageing: mitigation and adaptation. Adopting terminology from the environmental sciences, mitigation means to prevent, reduce or control the adverse effects of a phenomenon, whereas adaptation is about adjusting to the phenomenon.²

With regard to demographics, increasing fertility rates would count as a mitigation measure. But the viable options are adaptation policies. These include increasing the state pension age, immigration and boosting labour participation. Whatever the method, changing demographic trends is a complicated and long-term undertaking. With climate change, humankind's objective is to slow down the increase in global temperatures. With population ageing, the objective is to slow down the

decrease in the labour-force-dependency ratio, which is the average number of economically dependent people per 100 economically productive people.

Fertility rates

The prevailing opinion is that pro-natality policies in Europe have had a limited or non-existent impact on fertility. Rather than public policies, total fertility tends to be driven by the number of women of child-bearing age in the population. Strong population cohorts result in higher numbers of children being born, and vice versa.

Countries in Europe and elsewhere are increasingly finding themselves in a ‘low fertility trap’ as the structure of the population shifts towards increasing proportions of the elderly (Jóźwiak and Kotowska 2008). At the same time, total fertility rates by country vary over time. In 2006 it was France and the Nordic states that had the highest fertility rates in Europe (between 1.83 and 2.08; Aassve 2008, quoting Eurostat data). In 2021 it was France, Czechia, Iceland, Romania and Montenegro that had the highest rates (1.78 to 1.84; Eurostat 2023b). Although Aassve (2008) has suggested that generous, universal welfare support plays a role in encouraging fertility, a look at the current national fertility rates in the EU calls that finding into question. In the current ranking, countries with higher welfare provision and lower welfare provision display a variety of fertility rates without visible causality. Somewhat surprisingly, in 2021 the EU’s aggregate fertility rate was 1.53, up a decimal point from 1.43 in 2001 (Eurostat 2023b).

Can public policy reverse the stagnating total fertility rates in Europe? There are no indications that such policies have measurable effects. As an extreme example, a ban on contraception and abortion, as implemented in socialist Romania between 1966 and 1989, resulted in only a temporary increase in births. The longer-term effects were extreme maternal mortality due to illegal abortions and record numbers of orphans (Lataianu 2002). Even when governments provide monetary incentives for couples to have more children, these have practically no impact on fertility rates (Sobotka et al, 2019, 78). Whether in democracies or in repressive regimes, decisions on child bearing are ‘the most personal decisions that human beings make during their lifetimes’ (Schöttli 2023). Or, as *The Economist* (2023) puts it, no one owes it to others to bring up children.

Immigration

Moving to adaptation strategies, immigration has often been suggested as a way out of Europe’s demographic troubles. There is some foundation for this claim. Without migration, the European population would have decreased by half a million in 2019: 4.2 million children were born and 4.7 million people died in the EU in that year. And in 2020 and 2021, the EU population actually shrunk, due to a combination of fewer births, more deaths and less net migration (European Commission 2023a).

The fact that non-EU immigration is the only factor supporting EU population growth does not, however, mean that immigration is the solution to the problem of demographic ageing. UN demographic projections published in 2000 put the hopes that some have for the role of immigration into stark perspective. In order to maintain the potential support ratio, that is, the ratio of the working-age population (15 to 64 years) to the old-age population (65 years or older) that existed in 1995, the EU (of 15 member countries) would have needed 700 million immigrants between 1995 and 2050. This translates to 12.7 million non-EU immigrants annually for 55 years (UN Population Division 2000, 24, table IV.4). With the current rate of around 2 million non-EU immigrants to the EU of 27 countries, the political and logistical infeasibility of immigration as the solution is plain to see.

A recent report prepared for the European Commission (Lutz et al. 2019) also concluded that immigration cannot be the answer to demographic ageing. Although high volumes of non-EU immigration would increase the size of the EU labour force, the effect would be short-lived. The characteristics of immigration so far indicate that the participation rate of immigrants in the work force is lower than that of the native-born population. In the long run, high volumes of immigration would increase the population of non-workers, as immigrants, too, age, leave the labour force and require social assistance (Lutz et al. 2019, 42). The same insight led de Beek et al. in their recent book (2013, 22) to liken the immigration solution to demographic ageing to a Ponzi scheme. As well as the reasons listed above, de Beek et al. point out that over time, immigrants from high-fertility groups adjust their fertility to the level of the native population.

This argument is not an argument against immigration per se. Skilled immigration has persistently been linked to higher levels of innovation and entrepreneurship (Goldin et al. 2012; Lutz et al. 2019, 43; de Beek et al. 2023). However, a study that focused on the Netherlands found that in contrast to the positive net financial contribution of labour migration, family and asylum immigration incurred far more costs than benefits for the public purse (de Beek et al. 2023). The member states should therefore try to improve the structure of immigration flows, without expecting this to provide a boost to the declining labour-force-dependency ratios across the EU.

Labour participation³

Due to the infeasibility of other measures for mitigating or adapting to the effects of population ageing, reforms to employment and social security policies become the viable route forward. This holds in particular for reforms aimed at increasing the labour participation rate among different groups of the population. Education (broadly understood) and investing in human capital could be the common denominators of the efforts to increase labour participation (Lutz et al. 2019).

Increasing the state pension age as well as bringing more older workers into the labour market are obvious ways to push down the labour-force-dependency ratio. Until about

2000, led at least in part by the ‘lump of labour’ theory, governments were encouraging early retirement. The prevailing belief was that there was a fixed amount of work to be done and that therefore older workers had to leave the labour market to make space for younger ones. With this fallacy now discredited, over the past two decades EU countries have steadily been increasing statutory pension ages, as OECD data demonstrates (Bodnár and Nerlich 2020, chart 6). This (almost uniform) trend has led to working lives of ever-increasing duration across the euro area and the EU.

The steady efforts to increase the statutory pension age have been coupled with active labour market policies. Between 2011 and 2021, the average employment rate of workers aged between 55 and 64 rose from 41% to 60.5% (European Commission 2023b, 11). In addition to increases in the statutory pension age, recent pension reforms have included flexible arrangements. These arrangements allow individuals to combine work and retirement. They also offer financial incentives for working longer. According to Bodnár and Nerlich (2020), since 2000

the age limits for receiving a full pension increased by on average more than two years for men and almost four years for women in the euro area countries. Increases of 5 years or more were implemented . . . in France and Slovenia, both for men and women, and in six countries, namely Germany, Estonia, Italy, Greece, Latvia and Lithuania, only for women.

More effort is needed on this front. There are huge differences between the individual member states’ statutory pension ages.

An increase in the labour participation and employment of women is another area of potential gains for European societies. According to Eurostat data for 2021, the gender employment gap in the EU was 10.8%: the proportion of men of working age in employment exceeded that of women. As with the participation of older people (men and women), the employment rate of working-age women has been increasing in the EU. However, it still remains lower than the male rate across the EU. In 2021, Lithuania recorded the lowest employment gap (a mere 1.4%), followed by Estonia. At the other end of the scale, Romania had the highest employment gap (20.1%), followed by Greece (Eurostat 2023a). The experience so far has demonstrated that the provision of institutional childcare (public and private), creating flexible contracts, increasing the opening hours of schools and creating the legal conditions for men to parent all allow women both to have children and to pursue their careers, thus eliminating the need to choose between the two.

Finally, bringing minority ethnic groups and diasporas into the labour market is another avenue to depressing the labour-force-dependency ratio. Partly caused by a lack of social capital and ethnic discrimination, and partly by cultural factors, non-EU immigrants in the EU have consistently lower employment rates than the native population. In 2018, the average employment rate for non-EU immigrants was 64%, whereas it was 68% for the native-born population (OECD 2018, 72). In addition, across the EU, gaps

in employment rates between non-EU and EU migrants were wider among the low-educated (11 percentage points) than among the highly educated (8 percentage points). Furthermore, a recent book by Ruud Koopmans (2023, chapter 3) revealed stark differences in Germany among the employment rates of natives and refugees coming from various Asian and African countries. Refugees from Syria, Iraq and Afghanistan displayed much lower employment rates than the average among the German population. Only around 10% of refugee women originating from these countries were in employment in 2021, compared to around 40% of the men. As the EU's immigration structure shows an unfortunate prevalence of unproductive family migration, as well as the much less numerically significant but even more unproductive asylum migration, public policy needs to focus on incentivising existing migrants, and especially migrant women, to enter the labour market. In the long run, and as already pointed out, the labour participation and employment of immigrant groups and diasporas will only improve if the bloc's migration policy is purposely managed in favour of high- and low-skilled migrants who can benefit the EU. This includes limiting the overly generous family reunification schemes and implementing selective recruitment policies based on job offers from domestic employers.

Conclusions

Demographic change happens slowly. And although it is easy to see it coming, it is not easy to change through policy. The current degree of population ageing is without historical precedent. It is also practically irreversible (Tragaki 2014). The emotional charge of these trends has proved irresistible to the continent's assorted national populists and extreme-right movements. Railing against the elites that are portrayed as responsible for these demographic trends has become the mainstay of national-populist language. The conspiracy theory of 'the great replacement', according to which 'globalising elites' are replacing native, white European and Christian populations with non-white people, has taken root even among the adherents of mainstream parties, not excluding the centre-right.

Reforms such as increasing the state pension age and implementing stricter unemployment insurance schemes are sometimes resented by working-class voters, who then turn to these national-populist parties as a result. In Germany, the celebrated 'Hartz reforms' of the 2000s ushered in the growth of employment but also caused lasting damage to the then-ruling Social Democratic Party (*Sozialdemokratische Partei Deutschlands*). The political difficulties of conducting the required economic reforms have led some to speculate that the European welfare state of the second half of the twentieth century was, in fact, a temporary arrangement that was only possible due to the existing demographic structure (Vartiainen 2017).

As outlined above, adaptation to the new demographic picture is possible. But dealing with the social and political fallout from the necessary reforms is the biggest challenge for EU governments. For policymakers and politicians, this means not only gaining an

understanding of the present challenges, but also developing positive, appealing and fact-based narratives that create voter support for measures that would otherwise be unpopular. Investing in people, education, personal development and self-realisation could all feature as elements of such narratives.

Notes

1. According to IMF data, in 2023, these were the US, China, Japan, Germany, India, the UK, France, Russia, Canada, Italy, Brazil, Australia, South Korea, Mexico and Spain.
2. With thanks to Peter Hefele, Policy Director at the Martens Centre, for this analogy.
3. I would like to thank Rainer Münz, Visiting Professor at the Central European University, for an exchange that contributed to this section.

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Climate realism: Policy proposals for effective decarbonisation and true sustainability in the EU

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Abstract

The EU has put forward a very ambitious policy agenda for decarbonising its economy and limiting the dangerous consequences of climate change. However, parts of its approach have become untenable. This article argues that the current design of the EU's climate agenda is becoming financially and socially unsustainable. Spiralling fiscal costs, a scarcity of vital energy and resources, and increasing societal strain risk derailing the European Green Deal. The text puts forward a number of centre-right policy proposals for a more realistic European approach to climate change that would deliver true sustainability and take the EU towards climate neutrality.

Keywords

Climate change, Decarbonisation, Energy security, European Green Deal, Renewables, Sustainability, Centre-right

Introduction

As many would agree, ‘the science is clear’. The prevailing scientific consensus is that mankind is directly responsible for most of the rising carbon-dioxide (CO_2) emissions in the atmosphere and their related negative effects. The globally averaged combined land and ocean surface temperature data show a warming of about 0.85°C (0.65°C – 1.06°C)

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over the period 1880 to 2012 (IPCC 2014). Hence, the International Panel on Climate Change has recommended limiting global warming by the end of the current century to 1.5 °C compared to pre-industrial levels, with the expectation that this will reduce many of the challenging impacts of climate change globally (IPCC 2018). The EU has responded to this urgent call and has become the most influential global actor in advancing the international agenda on decarbonisation and the fight against climate change. Additionally, the majority of European citizens back taking more decisive action towards achieving a more sustainable economy (Eurobarometer 2021).

Indeed, both the scientific consensus and citizens' expectations regarding climate change are clear. The problem of greenhouse gas emissions and the end goal of climate neutrality have been clearly defined. However, Europe is still at a crossroads as to how exactly to achieve these climate goals in a sustainable way. Which policy tools and state resources should be optimised without sacrificing economic competitiveness and vital social priorities? A complex policy equation is needed, one which also honours the Treaty theorem that environmental policy is a shared competence within the EU.¹

This article argues that parts of the EU's climate policy equation are broken. These design flaws risk the misallocation of huge resources and could even derail the goal of carbon neutrality. The following text analyses the main fissures in the current EU climate agenda and makes the case that the quest for sustainability is becoming economically and societally unsustainable. Hence, the article puts forward a number of policy proposals from a centre-right perspective of climate realism, which aim to address these flaws and put in place the solid policy pillars for a truly sustainable EU economy. The article is part of the Wilfried Martens Centre's '7 Ds for Sustainability' initiative which provides strategic policy proposals for the European centre-right (Hefele, Welle et al. 2023).

Sustainability becomes unsustainable

There are at least three major issues severely hampering the EU's current climate agenda: mounting financial costs, resource scarcity and societal strain.

First of all, the EU's macro-spending programmes have become increasingly dominated by the Commission's climate agenda. The current Multiannual Financial Framework (MFF) for 2021–7 sets an overall target of spending 30% of its total budget on climate-related activities.² On top of that, the innovative recovery instrument NextGenerationEU requires that at least 37% of its €700 billion is to be allocated for climate-related projects as part of the national recovery plans of every member state (Figure 1). The Commission also projects that reaching climate neutrality will require an additional investment of €142–€199 billion *per year* between 2030 and 2050 (European Commission 2019). For comparison, the required yearly sums would be much higher than the total annual EU budget for all EU spending lines.

Regrettably, the European Court of Auditors has signalled that the climate-related spending within the EU's previous MFF suffered from a flawed methodology when

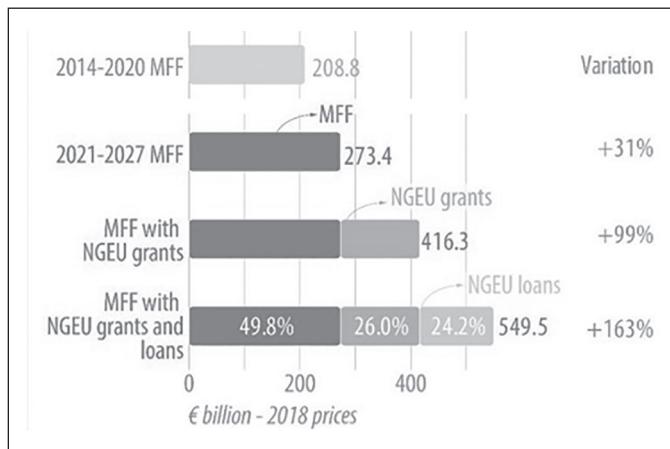


Figure 1. Evolution of climate-related expenditure within the MFF and the NextGenerationEU temporary recovery instrument.

Source: Data from D’Alfonso (2021) reproduced here with permission.

justifying its ‘climate mainstreaming’³ (European Court of Auditors 2020, 4). A more recent report from 2023 soberly concludes that the European Commission ‘lacks data on the cost to the EU budget, national budgets and private sector’ of accomplishing specific climate targets (European Court of Auditors 2023, 5).

The rising financial uncertainty does not stop there. All of the original European Green Deal estimates and plans were made in 2019 when the EU had lower collective targets for CO₂-emissions reduction and renewable capacity by 2030. Since then, the EU has made more ambitious commitments for overall emissions cuts and renewable energy deployment. Furthermore, there are already indications that the costs of the EU’s emergency borrowing could be at least twice as high as what was originally estimated due to inflationary pressures (Clayes et al. 2023). European policymakers have no idea of the ultimate price tag for ‘net-zero’. Simply put, the EU’s efforts to make our economies more sustainable are becoming financially unsustainable and could lead to astronomical costs with a limited impact on our collective climate goals.

Resource scarcity

The old continent has always been hobbled by its dependence on third-country energy imports. The unilateral weaponisation of pipeline natural gas by the Russian Federation in 2021–2 exposed the failure of the attempted positive trade engagement with Moscow.⁴ The end of the Faustian bargain with Gazprom provided a welcome realisation that Europe needs to fundamentally change its energy import strategy and pivot to more reliable providers (Lilkov 2022). However, this is a long readjustment process and, at least in the short term, requires massive spending. Due to the proxy energy war with Moscow, EU

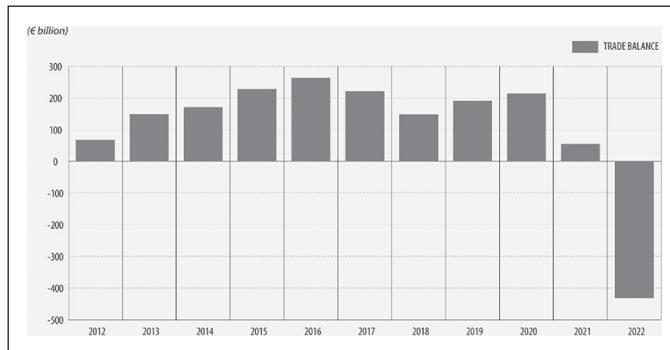


Figure 2. Extra-EU trade in goods, 2012–22.

Source: Data from Eurostat (2023) reproduced here with permission.

countries have spent more than €1.1 trillion on emergency natural gas deliveries in the last 30 months; 4 times the previous average (Kennedy 2023). This astronomical spending was such that it pushed the EU to a record trade deficit of €432 billion (Figure 2).

Moreover, since the start of the energy crisis in late 2021, the EU has allocated and earmarked more than €600 billion in subsidies to shield households and industry from price rises (Sgaravatti et al. 2023). This type of energy insecurity has not only exhausted national coffers but has also caused high uncertainty and increased baseline energy prices for European business and industry. It is these specific economic sectors that provide additional funding for renewables deployment or investment; therefore stifling European growth and industry could further dampen Europe's climate ambitions.

The EU's relative energy resource scarcity is further exacerbated by the limited availability of or mining capacity for critical raw materials. The latest comprehensive supply-chain analysis and material-demand forecast reports that the EU shows significant vulnerabilities in its critical raw materials supply chain (Carrara et al. 2023, 9). Furthermore, our need for these minerals will only expand. Compared to 2020, potential European demand for lithium and graphite is expected to grow twelvefold by 2030, while there will be an expected thirty-fold increase in demand for platinum in the same timeframe (Carrara et al. 2023, 8). In parallel, the EU will be in competition with the rest of the global market, which will also be looking for similar supplies for the construction of next-generation renewables and electric vehicles. Today, most solar panel production, next-generation battery capacity, and processing of rare earth elements and critical materials is dominated by China. The current dynamic makes the EU systemically reliant on third countries for its renewable rollout and thus embeds additional vulnerabilities for our trade and national security policies.

Societal strain

Lastly, certain parts of European climate legislation have placed a growing sense of pressure on wide segments of European society. This issue goes beyond the delays and

troubles of the Just Transition Fund, which was designed to support a gradual clean energy transition and employee reskilling in the most fossil-dependent European regions (Rosengren et al. 2023). The future ban on sales of internal combustion engine vehicles and increased measures to improve the energy efficiency of buildings or heating installations are novel EU proposals, but ones which ultimately push the final cost onto the end consumer. Citizens in Italy, for example, are wondering who will cover the exorbitant cost of the Energy Performance of Buildings Directive and its obligatory renovation requirements in a country where 60% of the building stock (Symons 2023) lacks proper insulation or window glazing. Additionally, the extension of the Emission Trading System to buildings and road transport will have negative social impacts, particularly for low-income households across the continent (Bajomi 2023).

There are strong indications that the burden of the energy transition in Europe will mostly be felt by our most vulnerable citizens or parts of the middle class. Estimates vary, but there are approximately 50 million people in the EU living in energy poverty (Gangale and Mengolini 2019). Recent calculations indicate that close to 70,000 Europeans lost their lives as a result of the rise in energy prices in the winter of 2022 (*Economist* 2023). These developments are causing an increased level of societal strain and could lead to a severe citizen backlash against Europe's climate aspirations.

Climate realism and true sustainability

The considerations expressed above should not be seen as a call to abandon the EU's monumental goal of carbon neutrality. Rather, they are an honest assessment that a realistic recalibration is necessary given that the EU is not on the right track with its decarbonisation policies. The most pertinent question is how should the EU adapt so that it delivers a truly sustainable transition which achieves climate targets and also safeguards vital economic and societal interests? A number of centre-right proposals can be put forward in order to lay the groundwork for a successful strategy of climate realism.

Championing economic growth and fiscal predictability

A sustainable transition to a clean-energy economy will be costly and remains impossible without achieving high levels of economic growth and industrial output. Public budgets in many member states are already under strain from growing deficits. In parallel, the private sector will not be able to support the clean-energy transition if it is restrained by an economic downturn or exorbitant energy prices. Ever since the 1970s and the Club of Rome's report titled 'Limits to Growth', we have been bombarded with gloomy predictions about humanity's collapse unless the world's economy contracts and mankind reduces its consumption patterns.

None of these grim predictions has materialised. A retreat from economic growth is a misguided and dangerous proposal. The EU has already started to modernise and transform the economy with the aim of climate neutrality. Across the continent, most of the

member states have successfully decoupled greenhouse gas emissions from economic growth (Ritchie 2021). We need to have a prosperous European society if we are to achieve our landmark climate goals.

Additionally, the European Commission should limit the financial unpredictability within its climate legislation, as recommended by the European Court of Auditors. During its new mandate, the European Commission should be obliged to provide approximate total costs for its proposals, on top of an extensive impact assessment.

Technological innovation is the master key for future decarbonisation

The EU needs to pool additional shared resources into research and development for renewables and support European companies' efforts to create clean energy breakthroughs. The European funds invested in breakthrough research and development are very few compared to the huge annual sums spent on energy infrastructure. The EU cannot match China's illicit state subsidies nor its cheap labour, but it needs to bet on its own comparative advantages when it comes to human talent and scientific excellence. There are huge opportunities for strategic investment in improved wind-generation design, carbon capture and storage (CCS), electrolyzers and next-generation nuclear capacity. The EU needs to make sure that its clean-energy transition makes a compelling business case; its products and patents need to be competitive internationally. Not to mention the fact that much of the long-term progress on the path to net-zero will come from technologies still in development (Figure 3).

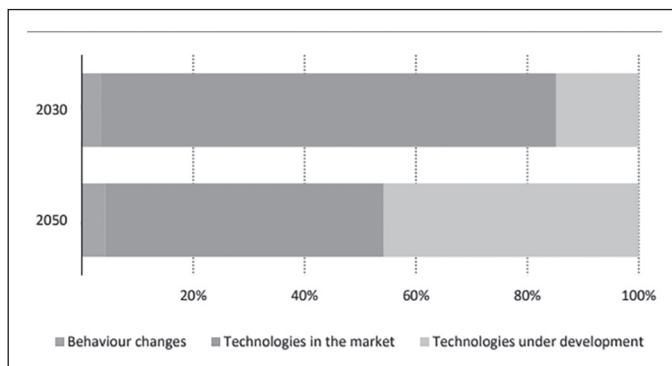


Figure 3. Anticipated annual CO₂-emissions savings on the net-zero pathway, relative to 2020.
Source: Data from IEA (2021) reproduced here with permission.

Europe needs to produce more domestic resources

Many governments are nervous about openly supporting new mining projects given the potential local backlash or the time restraints due to long permitting processes. However,

the solution remains entirely in their hands given sufficient political will. An increase in domestic production and an improved predictability of supply could also bring the EU closer to achieving the additional goal of growing its critical materials stockpile in the long run.

A similar approach should apply to natural gas exploration activities within the Black, North and Mediterranean Seas. European member states should collaborate if necessary to explore joint sites and ramp up Europe's domestic production of natural gas, which will play a key role as a transitory resource in Europe's decarbonisation efforts.

Support for energy security and opposition to energy austerity

For years now, the EU has placed a huge emphasis on decarbonisation, taking energy supply availability and energy price stability for granted. However, climate change cannot be the only driver of Europe's energy policy. The immediate priorities should be energy security and making energy resources affordable for households and industry. The EU needs to not only ensure short-term liquid natural gas shipments, but also commit long-term to a diversified portfolio of trusted providers for conventional pipeline deliveries.

Demand reduction and the optimisation of energy usage should also be a notable concern. Europe managed to overcome the latest energy crisis by reducing its overall gas demand by more than 17%. However, a fine line should be drawn between demand reduction and aggressive demand destruction. Europe's industry needs to optimise certain processes, but it should not be forced to slow production due to a lack of energy supply. Gambling with energy austerity also means placing numerous households and small businesses under severe pressure due to volatile prices with extreme seasonal variations.

Ensuring nuclear energy's role

Nuclear energy currently accounts for more than a quarter of the EU's clean electricity generation and is a reliable zero-carbon source that produces output almost non-stop. There is scientific proof that nuclear energy does not do more harm to human health or to the environment than other electricity production technologies (SNETP 2021). The decision to pursue this type of carbon-free energy remains a sovereign right of every European member state. The European institutions should support the efforts of EU member states who already have this type of energy infrastructure. Moreover, nuclear energy should remain a part of the EU's green taxonomy and be recognised as a source of clean tech which benefits from dedicated funding as a critical technology. Supporting advanced research into nuclear power capacities/small modular reactors will be key in Europe's quest for carbon neutrality.

Renewable rollout, permitting and investing in grid stability

The successful deployment of renewable solar and wind infrastructure is an important piece of the decarbonisation puzzle. However, even provided that there is sufficient financing and availability of technological components, there are at least two additional major obstacles which need to be addressed. First, permitting processes in a number of EU member states take up to nine years due to the complexities and procedures built into national legislation. It has become apparent that these administrative timelines need to be shortened.

Additionally, all of the new renewable infrastructure places immense strain on the existing electrical grid—an elaborate network of cables, substations and transformers. This can create severe bottlenecks. Waiting times of several years are the norm, rather than the exception across the EU, as the physical grid connection is simply not available (Mooney 2023). The EU has ramped up its own targets for renewable energy deployment but policymakers need to be aware of the risk of creating stranded assets of expensive novel infrastructure, which may remain unplugged for up to a decade.

Subsidiarity and climate adaptation on the local level

The overall narrative on tackling climate change is usually communicated by citing the climate targets and pledges set by global agreements. However, when it comes to implementation, the agreements produce mixed results. The lack of major progress through international treaties on these issues is due, among other factors, to the top-down nature of the commitments, which are negotiated by high-level governmental representatives but ultimately have to be implemented on the local level (Lilkov 2018). Certain estimates project that regional and local authorities will be responsible for implementing more than 70% of climate-change reduction measures and up to 90% of climate-change adaptation measures (Committee of the Regions 2017).

Cities and regions are part of both the problem and the solution. Only with the fully fledged involvement of local and regional authorities can the implementation of climate-change measures and international agreements bring about effective results in the long run. Stronger political engagement with the various local political stakeholders is necessary in order to build a solid backbone for climate governance across the EU.

Conclusion

If politics is, indeed, the ‘art of the possible’,⁵ climate politics in Europe is at risk of becoming the art of the impossible. A sober discussion is required about the future direction of the EU’s decarbonisation agenda; a discussion hopefully marked by pragmatism and ambition rather than dramatism and dogma. Unfortunately, the unsustainability of important parts of Europe’s current climate strategy threaten to jeopardise the long-term goals of the European Green Deal. This article has posited a number of centre-right proposals for a more realistic approach to European climate policy. A comprehensive list of

all technical recommendations and actionable items goes beyond the limits of this article. The main ambition of the text was to suggest a viable macro policy alternative for the mainstream pro-European political parties, which have the common goal of making the European economy truly sustainable.

Notes

1. See art. 4, Treaty on the Functioning of the European Union.
2. The previous MFF, covering the period 2014–20, had earmarked 20% of its total expenditure for climate-related matters.
3. Climate mainstreaming refers to the consideration of climate priorities within all policy areas and financial vehicles within the EU budget.
4. Also known as ‘Wandel durch Handel’.
5. The quote is attributed to Otto von Bismarck.

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One for all: A sustainable story of European democracy

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Abstract

The way citizens are represented at the level of the EU—in short, EU democracy—can be improved; and it must be improved, if the EU is to flourish or even survive as a meaningful project. Sustaining EU democracy means telling a better—more coherent, more cogent, more compelling—story to Europeans: via a single, clear recognisable voice of leadership bearing a direct mandate; by imagining into being a European demos; and by using simpler, more scalable language. The story of Europe, as with any polity, is of course dynamic and incomplete; ultimately, the emerging story of what the EU is and will be is a story for voters to tell.

Keywords

European story, Transnational lists, *Spitzenkandidat*, Demos, European English

Introduction

The European Parliament's House of European History is self-consciously historiographical. Visitors are invited, starting with the mythopoeia of Europa, to explore the ‘reservoir’ of Europe’s ‘essential’ memory. Science, trade and development; art, politics, culture and law; Christianity, Greece and Rome; humanism and democracy; the need to connect: these and other themes serve to ground the characterisation of Europe as not just a place or a people but an idea. The story is sketched in questions as much as facts: ‘In an increasingly multi-religious Europe, will Christianity remain in its dominant position? . . . Are the values of the Enlightenment under threat today—or will science and knowledge always prevail? . . . Is international capitalism the best system for Europe—or does it focus too much on simply making money? . . . Was communism a failed experiment—or could it ever make a comeback in Europe? . . . [Are] our apparent national differences

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based on actual, unique characteristics—or are they just invented stereotypes?’ Memorialisation itself is rendered in everyday terms: ‘How we remember the same history constantly changes’—inviting ultimately the most basic, and most dynamic, question of all: ‘what parts of . . . European heritage should we preserve’ (European Parliament 2016)?

‘Preservation’ in this sense is at the heart of the Wilfried Martens Centre’s ‘7Ds’ project: to outline systematically, in light of the June 2024 European Parliamentary elections, policy ideas for which aspects of the EU—and, indeed, for how the Union itself—might be sustained (Hefele, Welle et al. 2023). And there is no more fundamental sine qua non of EU sustainability than that democratic system itself which guides and legitimises it.

‘Sustainability’ can invoke an ideal: say, of flourishing. The sustainability of a given democracy in this sense entails the harnessing, even the cultivating, of civic virtue; the drawing out of civic participation and the widening of representation; certainly, it prescribes the closing of real or perceived democracy deficits. But sustainability also means just survival. Geopolitical competition, systemic rivalry—over resources and revenues but also over values: these demand a more and more agile, capable and competent European democracy; or else, from disintegration or, more likely, enervation or paralysis, the EU will cease being especially determinative in the lives of Europeans, will be felt rather as an encrustation or even a hindrance. On the small things, agency will remain with, or resort to, national and subnational levels; on the big things, it will simply lie elsewhere.

This article argues that the sustainability of European democracy depends, in at least the first sense and maybe the second, on Europe’s telling a better—more coherent, more cogent, more compelling—story to Europeans. At issue, of course, is both the form and content of that story *per se*, but also the interlocutors themselves: starting with the first-person speaker.

One reliable narrator: unity of voice

A single, competent EU voice, in the form of a single office and person, empowered directly by voters, would not only allow more agile EU action, including vis-à-vis external actors, but would give citizens a name and a face; and behind that face and name would be a party, and party platform, for voters to either praise or blame: that is, to hold accountable, with their votes.

President Juncker floated the idea of uniting into one office the presidencies of both the European Commission and Council of the European Union, since ‘Europe would be easier to understand if one captain was steering the ship’ (Juncker 2017). A less sweeping step forward would be to task EU parties with consequential European Parliamentary campaigns by empowering the Commission president, as each EU party’s lead candidate for the European Parliament, with both clear and legal political mandates.

Despite overall confidence among European citizens in EU democracy, citizens in roughly half of EU member states believe their voice does not count in the EU. And the first reason given for likely apathy in voting in the European Parliamentary elections is lack of confidence that voting in such elections really matters (European Parliament 2023, 26, 28, 75–76, 84).

The European Parliament (2022, 7) has stated the desire to ‘[shape] . . . a European public sphere . . . and improve the transparency and democratic accountability of the Parliament, by strengthening the European dimension of the elections, notably by transforming the European elections into a single European election, especially through the establishment of a Union-wide constituency’. The ‘Democracy’ chapter of the Martens Centre’s ‘7 Ds’ urges an improvement in ‘the quality of EU democracy, the legitimacy of its institutions, and their responsiveness to the needs and preferences of EU member states and citizens’ (Hefeleveld et al. 2023, 18).

Both citizens and member states are crucial. And indeed, no change to the EU Electoral Law can go forward without Council consent, consent which seems again, and still, to be off the table ahead of the June 2024 elections, with the June 2023 General Affairs Council’s decision not to approve the European Parliament’s proposals for transnational lists (Council of the European Union, General Affairs Council 2023). But ‘no’ need not mean ‘never’—nor, certainly, that EU parties might not hope to appeal to such ideas in their respective 2024 platforms. Given the legal, not to say political, complexities, from the Council’s point of view, narrowing the scope of the proposals may, for the Parliament¹ and for EU parties, prove both more effective and more efficient: namely, by settling not on a transnational list of 28, as the Parliament has put forward, but on a *transnational list of one*, with putative candidates being at once their national member party’s head of list as well as their respective EU party’s candidate for president of the European Commission.

Such a ‘list of one’ would satisfy the pan-European dimension of the Parliament’s demand; it would also clarify—without binding the Council or even privileging per se the Parliament’s secondary role vis-à-vis the Council—the process for choosing the next president of the European Commission. First, as the Parliament’s position indicates, transnational lists of *Spitzenkandidaten* (SK) would make it easier for national as well as EU parties (and for the Parliament itself) to campaign—that is, easier to sell to voters not just the importance of the final tally but the importance of their own unique vote, since that vote would be cast directly for an EU candidate campaigning ostensibly on EU issues. ‘Down-ballot races’² would become a meaningful concept across the EU, as national parties become tied to EU-level candidates requiring from them, too, clear positions on EU policies. The greater politicisation of the process would, as the Parliament has also underscored, incentivise media coverage and public interest (Kotanidis 2023, 40–1).

Why a transnational list of just one? This solution moves forward the Parliament’s principle aims while avoiding the problem of the current SK system’s legal uncertainty; it avoids, too, the complexity, and greater perceived political risk, associated with a

28-person list. Perhaps most importantly of all, a list of one would be more likely to pass legal muster, since it would fall strictly speaking within the legal purview of the Parliament's transnational list proposals already considered by the Council's legal services. The Council would still retain its own prerogative, since no winning SK could claim a governing mandate via automaticity (Tusk 2018), but simply the political mandate to try to form a winning coalition—already standard practice in member states' parliamentary democracies. It would not even bar the Council from proposing, or even from finally settling on, 'outside' candidates—that is, candidates not having run as SKs—if no SKs were able, in the end, to win to their cause the needed Council and Parliamentary majorities. And yet any SK with a plurality of citizens' votes would, crucially, be able to claim the legitimacy of a direct, pan-EU popular endorsement on the basis of a political, pan-EU campaign.³

A transnational list of one would render both the symbolism and power of the EU clearer, and more clearly united. It would unite the symbol of the EU within one office, held by one person claiming a direct political mandate.

One audience: towards a European *demos*

SKs with a direct political mandate would also reinforce not just the idealisation but the reality of a real EU constituency: that is, a real European *demos* (Kotanidis 2023, 17).

Faith itself in any political project is necessary and formative. One often hears the argument in Brussels that Europeans simply do not care about 'Europe', in either an abstract or concrete political sense: that their concerns are local and national, and that only media in their local or national languages matter. But this misses the crucial dynamic of the indirect or mediated spreading of content. It also seems to presume a kind of fatalism: trees may indeed be falling in the forest, but no one is listening anyway—so why bother?

Established and emerging new tech platforms present new opportunities for the EU institutions to get their message out. Why not provide a 24-hour channel for live (and then repeated) European Parliamentary debates and votes? Chyrons showing speakers' names, countries and both EU and national party affiliations would help make such programming accessible not just to journalists, teachers and students, but to bureaucrats and even EU policymakers themselves, who sometimes struggle to learn and retain the pertinent details of even their own many committee or dossier assignments.

Each September's State of the European Union (SOTEU) address, given by the president of the European Commission, offers a unique opportunity to tell a clear European story to the EU's nearly 450 million citizens and residents. Especially as interpretation technologies improve, why not deliver this speech live during prime time, directly addressing all Europeans as the primary audience—not just the lawmakers and journalists present on a Wednesday morning in the Strasbourg hemicycle? If public broadcasters

in member states decline the programming—and even if they do not—the Parliament and Commission should have other streaming options.

The SOTEU (at least, amongst other fora) could also further the collective imagination of a real European *demos* by telling the stories of real Europeans—nurses, workers, entrepreneurs, farmers, policemen and -women; even soldiers, with ‘the army’ enjoying generally high regard among citizens, despite sometimes more doubtful views of NATO (European Commission, DG COMM 2023, 57, 59, 61, 63, 75)—personifying the best of who Europeans are and want to be and expanding the electorate by including more voices in the collective imagination. Such storytelling not only portrays but cultivates the kind of empathy vital to solidarity in such a pluralistic society and still-confederal polity. The converse—not to tell individual, or at least individualised (while still anonymised), European stories, for fear of sounding maudlin, pandering or ‘American’—suggests an insidious fear that Europeans may not care, or may not be able to relate: in other words, that they may not in the end feel they have so much in common after all.

One voice: the right register

Images are universal, and perhaps the most enduring political icons: a crumbling Berlin Wall; a student braving tanks in Tiananmen Square; the Twin Towers black and burning; a drowned Syrian boy; the president of the European Parliament extending to the president of Ukraine the firm grip of Europe’s support.

But words, too, cut both to the chase and to the heart. ‘[The] very politics of language bring an agenda to fruition’ (Eckert and Kovalevska 2021, 1). Which language? Which words? And how?

The wit and lay theologian G. K. Chesterton observed: ‘Long words go rattling by us like long railway trains. . . . [It] is the short words that are hard’ (Chesterton 1908, 130). Two recent academic papers have looked, respectively, at the European Commission’s rhetoric in promoting the European Green Deal and as employed in several decades’ worth of press releases. Neither study lets the Commission off lightly, with both highlighting a language useful for, even designed for, marginalising and ultimately disempowering voters (Eckert and Kovalevska 2023; Rauh 2022).

Is there good reason to wall off from the public, using big words, the big decisions made at EU level? *The Economist’s* Charlemagne column, in November 2022, pushed back against Rauh’s paper: ‘Not only is [Euro-gibberish] an inevitable corollary of a multilingual union, it is a welcome one . . . This is thankless but necessary work, best done out of the public gaze. . . . Eurocrats are not communicating with the public, they are chattering among themselves’ (Charlemagne 2022). Seven months later, though, the same column bemoaned: ‘European politics has become like quantum physics: anyone who claims to understand it doesn’t. . . . But politics cannot be suspended for ever. If Europe is to feel like a single polity, as its proponents advocate, citizens must grasp what they are signing up for. Right now they do not’ (Charlemagne 2023). The two quite

different takes ultimately beg the central question: do citizens want accountable governance or not? It is hard to argue, on democratic grounds, that they do not.

Sustaining the story of European democracy means using not just simple words but words that scale. *World War, Cold War, Marshall Plan, superpower; American Dream; serial killer; google, tweet, cancel culture and woke; friendshoring*; any scandal ending in *–gate*: English has served increasingly as the crucible for the paradigmatic phrases—sometimes simply adopted without translation—of post-war politics as well as culture.

This is partly of course about negotiating power in the traditional sense. The US, through NATO, is Europe's (and many countries', especially in the Middle East and Indo-Pacific) main security guarantor. And in a two-party US system, in particular—and in particular at such times as the Republicans are in power and led by a TV-watcher in the White House—it makes good sense to get one's message across via a *Fox News* network commanding the biggest media share of right-wing voters, as President Macron did in April 2018 ahead of 'the first state visit of the Trump presidency' (Wallace 2018). It made sense again for Macron, following his equivocal April 2023 comments on Europe's triangulation of growing US–China rivalry, to set the record straight, in June on *CNN*, by telling Americans in clear idiomatic English he was 'dead against any aggression' against Taiwan (Zakaria 2023).

But English is not just the indigenous language of contemporary hard power; it is the main medium for political as well as technological neologism: as evidenced at transnational Conservative Political Action Conference (CPAC) events or in national parodies of Trump's 'Make America Great Again' mantra, or via the enduring legacy of British conservatism in '[forming] the base of [the EU's New Right, or hard right] parties' (Lloyd 2023).

At issue is not just the accessibility but the scalability of ideas. European policymakers have had success coining, or re-coining, English-language phrases such as the 'European Way of Life' and 'NextGeneration' (and indeed 'European Green Deal'). Draghi's 'whatever it takes' and the G7's 'as long as it takes' have become paradigmatic shorthand. A strategy of 'de-risking' vis-à-vis China—a European contribution to an emerging, American-led response to China's growing global role (Sullivan 2023)—may prove another example as a defining norm spanning the Western alliance and beyond.

Neological and political virality in this sense depends not just on the proverbial backing of any particular army but on how attractive or easy a word or phrase is to use. Connotation as much as mere denotation; nuance; double-entendre—in short, the word play which marks the movement of meaning: this is as much the prerogative of European policymakers, as users and co-creators of English vernacular, as of anyone else. Today's lingua franca is not just a necessary evil or lowest common denominator; European leaders can and should—proactively, confidently, self-consciously—embrace, own and tout their potent role as first-language conversationalists, and co-forgers of a potentially viral

politics. This, too, is part of a right-sized scope in imagining into being a single, sovereign European *demos*.

Conclusion: one script—a sustainable European story

Tony Judt's 2005 book *Postwar* offers a hopeful story of European integration. The cycle of new, twenty-first-century crises had not yet begun in Europe (though the Iraq War would prove indeed a grim harbinger). And yet with Russia's February 2022 invasion of Ukraine—precursor to Bucha, mass deportations and renewed threats of nuclear war: in short, the return not just of war but of terror—*Postwar*'s epilogue, 'From the House of the Dead: An Essay on Modern European Memory', has seemed again as poignant, and as prescient, as ever: 'If in years to come we are to remember why it seemed so important to build a certain sort of Europe out of the crematoria of Auschwitz, only history can help us' (Judt 2005, 830–1). It is this basic sentiment, for the democratic world writ large, which Chairman of the US Joint Chiefs of Staff Mark Milley invoked in a speech in Washington, DC in late June: 'And the world collectively said in 1945, never again' (Garamone 2023).

A more holistic version of this story—of the contemporary 'West's' very *raison d'être*—would encompass the preservation of the post-war order per se. And yet even this is retrospective, framed essentially by looking backwards, to a specific moment, or vision, of the past. Has that moment gone? Is such a vision—such a negative vision, in a technical sense, despite its resonance—enough still to legitimise the European project and to animate Europeans forward, still, towards a sustainable European democracy?

Klaus Welle has written about a European centre-right defined essentially by—perhaps defined essentially as—paradox: 'Traditional Christian Democratic concepts of balance in a plural society, such as social market economy, personalism, federalism, subsidiarity and sustainability, harmonize with the conservative impulse to preserve as well as the liberal idea of freedom' (Welle 2023⁴). Is a paradigm of paradox enough to capture Europeans' imagination? Or enough to deliver a strong enough, united enough, Europe '[to] survive and prosper in a world of battling giants' (Sikorski 2023)?

Whatever the answers to these fundamental questions—to the questions asked of visitors to the House of European History—the ongoing story of what the EU is and means is a story Europeans themselves should decide: not just in an abstract sense, from the perspective of future historians, but as self-conscious co-owners of their own collective, and dynamic, history. This means first asking, in addition to local and national debates, what kind of Europe they want. It means then politicising the available options—and finally making a concrete democratic choice. The answers will no doubt change with the times. But a real European constituency—self-aware, self-critical and self-empowered—must, by listening to the past and looking to the future, find the voice to tell its story.

Notes

1. In this article, ‘Parliament’ refers only to the ‘European Parliament’; ‘Europe’ is used synonymously with ‘EU’.
2. In the US, for instance, candidates running for local, regional or state-level offices often experience special headwinds or tailwinds in presidential election cycles, since the choices for president appear at the top of the ballot; ‘down-ballot’ races are thus often affected by voters’ perceptions of those running for the top job.
3. Further discussion would, of course, need to follow as to whether such a ‘list of one’ could still be administered by member states and not directly by an EU electoral authority. I would argue member states should remain in charge of administering their own elections, per their own somewhat divergent rules (even perhaps regarding voting age, for instance)—provided that SK votes per member state were either then weighted by population or else candidates winning the plurality in a given member state were then given all that member state’s ‘points’, so to speak, in a first-past-the-post system. This would thereby balance, for this sole pan-EU elected office, the interests of both citizens and member states and ensure that winning candidates achieve significant representativeness across the whole of the Union.
4. Bold-faced type has been removed from the original quotation.

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Europe's quest for sustainability: An opportunity for centre-right parties?

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Abstract

The reasons for the decline of European centre-right parties since the 1990s are widely debated and subject to different explanations. One such explanation is that there has been a lack of an overarching narrative. In recent years, sustainability has become a dominant concept in European political debates. The article analyses whether this concept could become the core of a new political vision for centre-right parties and should no longer be considered only a leftist-green project. Three significant aspects of sustainability are discussed: future value creation, foreign relations and the future of democracy. In all three fields, there is a huge potential to redefine sustainability beyond the narrow environmentalist understanding, linking this approach to a long history of conservative, Christian Democratic thinking. For Europe as a global actor, sustainability could become a key component of its normative power, with many opportunities to link up with similar initiatives in other world regions.

Keywords

Middle class, Sustainability, Centre-right parties, Conservatism, EU

Introduction

The reasons for the decline of European centre-right parties¹ since the 1990s are widely debated and subject to different explanations. One explanation is the loss of a comprehensive ‘grand narrative’ (*Großerzählung*) which is able to integrate the various social milieux and is seen as the *ideological² complement* to the concept of people’s parties

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(*Volksparteien*), a key political innovation in post–Second World War Europe. Back then, it was not only the radically reformed organisational and constitutional framework that supported the development and flourishing of this new type of political actor,³ but also the overcoming of the deep ideological divides of the interwar period through shared values and a shared vision of a prospering middle-class society.⁴ The latter can be considered one of the most important achievements in the political history of twentieth-century Europe.

Since the 1970s, and in parallel to the dissolution of the traditional social milieux in the course of societal modernisation, the integrative power of a shared ideological basis had been weakening in the centrist spectrum of European party systems (Degele and Dries 2005). It took a long time for this development to become visible, and after years of being in power, many (governing) parties disregarded the ideological vacuum which had begun to spread throughout Western European societies.

Political parties of the centre have made a variety of desperate attempts to reverse the decline in their memberships and votes. Yet, their successes, for example, by improving communication strategies or finding new ways of attracting young people, have remained modest. Fewer efforts, however, have been made to establish a new ideological basis—partly due to the belief that Western societies have come to the ‘end of ideology’ (Bell 2000) or even the ‘end of history’ (Fukuyama 2020).

As a look at other, mostly autocratic, political regimes clearly shows, nothing could be further from the truth. These regimes have created alternative ideological concepts of society as counter-models to liberal Western ideas to precisely avoid or refill this ideological vacuum.⁵

However, pluralistic and open societies also need a concept or vision of a ‘good’ society (Popper 2011). Competing ideologies are essential in democratic societies to mobilise voters. Defining these ideologies and translating them into political programmes is one of the core functions of political parties. But is there a modern political concept or narrative that could attract centre-right voters and reflect the radically changing political and economic environment of the early twenty-first century? (Welle 2023). In recent years, ‘sustainability’ has developed into such a comprehensive concept. However, centre-right parties are still struggling to adopt and redefine sustainability as the core of a new political vision and link it back to their traditional philosophical roots. It is no surprise that this concept was and is considered a leftist–green project.

Against this background, the following article tries to dissect the major aspects of sustainability from a centre-right perspective and analyse the potential for modern conservative policies in three policy areas: value creation, foreign relations and the future of democracy. This approach also takes into account the multilevel governance system of the EU and its member states.

Breaking out of the ideological cage: towards a comprehensive understanding of sustainability

In the public debate, the discussion on sustainability has been narrowed down and linked to environmental and climate protection.⁶ Consequently, the left and the newly emergent green parties have occupied the political market for ‘green policy’ since the 1970s. While partially their own fault, conservative and Christian Democratic parties have missed the opportunity to develop an alternative understanding, breaking away from these one-sided and narrow approaches to sustainability. This missed opportunity has contributed to a long-term decline in defining major political discourses and attracting voters, particularly young people, liberal urban groups and the lower middle classes.

A first step in regaining the public discourse is to explore the manifold dimensions of sustainability. To the surprise of even many conservatives, there are plenty of links to major strains of liberal–conservative political thinking in the nineteenth and twentieth centuries. These thoughts need to be read anew and translated into attractive wording that resonates with the expectations of early-twenty-first-century European societies.

Due to its inflationary use, the notion of sustainability has been blurred. Yet the classical definition of sustainability in the Brundtland Report of 1987 still serves best as a starting point: ‘Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (World Commission on Environment and Development 1987, 37).⁷

In contrast to the usual dimensional approaches (e.g. economic, ecological and social), this author has chosen a different perspective, one which makes it easier to connect sustainability to existing basic concepts of centre–right political thinking.

The following four dimensions of sustainability shall serve as points of reference:

1. *Intergenerational responsibility.* Acceleration, shrinking time and linearity have often been marked as the main characteristics of modern societies: from accounting systems to individualisation, these phenomena reflect a radically changed attitude towards and perception of time (Rosa 2005). This marks a fundamental break with traditional societies, which were often based on a (semi-)circular concept of time. It is no surprise that conventional conservative and Christian thinking has been struggling with this time ‘revolution’ for the last two centuries (Müller 2018). One of the most unpleasant social consequences of this development is a dramatic loss of intergenerational coherence and responsibility in modern societies. In addition, the core institutions of modern Western democracies, such as their welfare systems, have massively contributed to this ‘intergenerational disentanglement’ by taking over responsibility for well-being from individuals and smaller societal units, such as families.

2. *Individual responsibility.* In complex social and economic systems, the connection between actions and their consequences has been massively weakened and this lies at the core of why system redesign and behavioural changes often fail—to the detriment of sustainability. In principle, market-driven transactions based on individual property rights were invented to enhance interpersonal and inter-temporal liabilities. Yet, late-modern developments such as globalisation, consumerism and corporatism have systematically weakened personal responsibility in organisations or even dissolved it completely in complex supply chains and virtual spaces.
3. *Circularity.* Linear thinking in production and consumption dominates modern industrial societies, regardless of their political systems. Fossil energy consumption and most of the material flows follow the principle of disposable, one-way use.⁸ The capacity of physical but also social systems to regenerate is deliberately not built in. By excluding relevant cost factors, for example the use of common goods, price signals have systematically distorted the decisions of producers and consumers.
4. *Subsidiarity.* The question of who is responsible is fiercely debated in the fight against environmental degradation and climate change. Political divisions often align on the role of the state, non-state entities and the individual.⁹ At the same time, theory and practice indicate that small-scale solutions enhance ownership and long-term implementation—in line with the basic principle of subsidiarity, which lies at the core of the constitution of the EU (Waschkuhn 1995).

All four dimensions can be found, in varying degrees, in the basic assumptions of conservative-liberal and Christian Democratic thinking, for example, represented in the idea of a social market economy.¹⁰ The challenge now lies in unearthing the huge potential of the concept for innovative and integrative policy approaches—as an alternative to the dominating discourse.

European middle classes: expectations in a time of disruption and unease

Before I elaborate in more detail on how a revised concept of sustainability could be used to create concrete policy guidelines for centre-right parties, let us take a deeper look at the current situation of the European middle classes—the social strata which are widely considered the most important political target group for centre-right parties.¹¹ Empirical surveys and electoral results reveal that, over recent years and even decades, centre-right parties have neglected the core political concerns of these groups, particularly in terms of economic and social security (Bale and Kaltwasser 2021). Massive uncertainties about their and their children's futures have led to widespread distrust in political parties and the democratic system per se. Individual uncertainties are experienced within a broader framework of economic disruptions and systematic attacks on core democratic institutions (such as malign foreign

interference), as well as long-term, slow-onset developments such as demographic shifts and climate change.¹² If we assume that there is a clear and strong correlation between the well-being of broader middle-class society and stable liberal democracies in many parts of the world,¹³ then the need for a new societal consensus is more than evident. This consensus can only be built on shared ideas of the basic principles of a society.

However, at the moment, the reality could not be more different and there is no such unifying concept in sight. The economic effects of the staggering ‘polycrisis’ since 2007 have massively affected the economic perspectives and prospects of the middle classes, especially the lower segments. Perceptions of being left behind are widely shared among the middle classes due to losses in real income, shrinking opportunities in capital accumulation (mainly housing) and (assumed) elite-centred debates.

The following three sections focus on major internal and external aspects of the survival of the ‘European way of life’, applying the four dimensions of sustainability to identify possibilities but also shortcomings in the concrete application of this concept. This subject needs further research, particularly into linking it to traditional conservative and Christian Democratic thinking.

Future value creation

Induced by an often-apocalyptic perspective of climate change, achieving sustainability goals is frequently linked to a (Western) debate on degrowth, which has gained momentum in academia, among non-governmental organisations and with parts of the left/green political parties (Schmelzer et al. 2022). In some cases, this is just the traditional anti-capitalistic or anti-colonial rhetoric in new clothes. But one cannot simply put aside questions about the quality, quantity and purpose of economic growth under the auspices of sustainability. There is a broad consensus across the political spectrum that growth models based on extensive fossil-fuel and raw-material consumption in non-circular value chains must end. However, future value creation is not inevitably bound to this type of production and consumption. The EU has a great chance to lay new foundations for long-term, sustainable growth in Europe. From an international perspective, however, hopes for spillover effects into developing countries to encourage them to change their growth model remain uncertain. Traditional (extensive) growth perceptions and the aspirations of the middle-classes in developing countries still prevail—factors that are often forgotten in Western-centred debates.

One key aspect of any new growth model is the persistent problem of inequality of income and wealth distribution, which has reached levels which stand in stark contrast to the idea of a strong middle-class society (Piketty et al. 2021). Despite rising fiscal expenditures, current (re)distribution mechanisms in European tax and welfare systems are far from sustainable. The established institutions have failed to

achieve their objective of compensating for unwanted market results and will not survive the secular demographic and labour-related changes ahead. They do not follow the principles of fair intergenerational burden-sharing, and nor are they (any longer) driven by the idea of self-responsible citizens.

To be clear: globalisation per se is not yet doomed, but the times of massive productivity and welfare gains for the Western middle classes as a result of globalisation have gone. Factoring in security demands and the necessary higher resilience of supply chains will make companies and national economies rethink the off-shoring of production. There are potential opportunities for European businesses, particularly small and medium-sized enterprises, to participate in recovering their share of global value creation. Political pressure for sustainable production, including new supply-chain requirements, might give them a comparative advantage as they already operate in a relatively advanced sustainable environment.¹⁴ The effects of AI on European productivity remain unclear for the moment.¹⁵

Sustainable international relations

The UN Sustainable Development Goals (SDGs) define the conceptual framework for global sustainability. But their relationship with and impact on foreign relations¹⁶ deserve further examination. The SDGs are built around justice, peace and stability as core elements of a sustainable international order. But these objectives can only be guaranteed by a second layer of international norms, those enshrined in the multipolar, rules-based world order that came into being after the Second World War. The current decline of this order is probably the biggest threat to the achievement of the SDGs by 2030 (Ikenberry 2018). Due to its strong commitment to the SDGs, the EU should focus primarily on restrengthening these basic international norms. Otherwise, political efforts aimed solely at achieving single SDGs are likely to be rather null and void.

Another topic of discussion regarding sustainability is related to the structure of international relations per se. Here the debate is still bound to theories of dependencies, (post-)colonial structures and anti-capitalism, dominated by left and green parties. Centre-right forces should engage more actively and self-confidently in this debate. Against a rising tide of protectionist sentiments and measures, often green-labelled, the opportunities of market-driven, liberal approaches should be highlighted. The EU needs to thoroughly review its trade policies and development cooperation, which often conflict with and weaken the sustainable transformation of third parties. This revision must happen in parallel with a critical reflection on many of the measures and regulations that the EU has introduced in the name of sustainability.¹⁷

Sustaining democracy

The rising wave of authoritarianism has been a wake-up call for open societies. A renewed discussion on the resilience and innovation capacities of liberal societies is

gaining momentum. At the core of this debate lie two questions: (a) how to preserve the integrity of the mechanisms for building political consensus within a democratic society (Hefele 2023); and (b) how to create ‘the preconditions and necessary resources to make those mechanisms work’ (Böckenförde 1976, 112).¹⁸ In other words: how can the internal functioning of democratic societies be *sustained*?¹⁹

While there is a relatively broad consensus on what makes democracies function, for example, the division of power, elections and freedom of expression,²⁰ we tap into more challenging waters when we try to identify the vast area of values, mentalities and customs, often defined as *political culture* (Inglehart 2006). These factors go beyond a somewhat technical understanding of the ‘mechanics politic’ but largely explain the success and failure of concrete political systems and changes. As described above, the economic thriving and social stability of the middle classes largely, yet not exclusively and sufficiently, explain the flourishing of Western-style democracies. Necessary elements, such as trust, the ability to achieve and accept consensual decisions, and cherishing common-sense over polarisation, are the result of practices which normally emerge and are internalised in pre-political contexts. The breeding ground for such dispositions has traditionally been non-state institutions such as religious communities, trade unions and charity associations, primarily supported by the middle classes.²¹ As a somehow inevitable but unpleasant side effect of the modernisation process, these institutions have been weakened or have disappeared completely in recent decades (Reckwitz 2019). Neither societal integration through the markets nor more recent phenomena such as identity politics have been able to compensate for this decline—on the contrary, they have contributed to it. The capacity of liberal societies to reproduce themselves—in other words, their sustainability—is at stake.

As tempting as it seems, politics has to refrain from trying to compensate for the failure of those institutions with more state intervention. This would, paradoxically, further weaken those institutions and offend the principle of subsidiarity. Decades of the welfare state and, more recently, state interventionism in the name of anti-discrimination, retributive and restorative justice, and so on, have systematically weakened the ideal of free, independent citizens. The idea of building a free and responsible society from the bottom up is a central fundament of centre-right and liberal thinking.

Conclusions

Conservative and Christian Democratic thinking could be described as ‘theories of middle range’ (Merton 1968, Chapter 2) that aim to balance and moderate intertemporal relations and power relations within and among societies and nations. Sustainability can be seen in large parts as (at least part of) a modernised concept of this thinking. Policy approaches based on an extended idea of sustainability are very well aligned with the expectations and needs of the European middle classes. There is no reason to leave this concept to the left and green political parties, but a giant effort is needed to streamline the various policy fields with this concept.

From the perspective of Europe as a global actor, sustainability can be considered a key component of its ambition as a normative power (European Union External Action Service 2016). There are plenty of opportunities to link up with similar initiatives in other world regions, even if—at first sight—ideological differences might prevent closer cooperation due to conflict in traditional policy fields.

Notes

1. For the sake of brevity, centre-right parties in continental Europe include liberal-conservative and Christian Democratic political movements. Jansen and Van Hecke (2011) provide a comprehensive overview of the post-war development in Europe.
2. ‘Ideology’ is used here with a neutral meaning, describing a set of fundamental assumptions about values and concepts of how a good society should work (Freedon 2003).
3. An outstanding example of acknowledging political parties as key political actors can be found in Article 21 of the German *Grundgesetz* (Basic Law); see Germany, Federal Ministry of Justice (2023).
4. On the evolution of the European middle classes see Kocka (1995). Rich insights into the (self-) perception and aspirations of the European middle classes can be found in Reho and Lambrecht (2023).
5. E.g. the Chinese Communist Party’s concept of creating a ‘moderately prosperous society’ (Xiǎokāng Shèhui) since the reform and opening-up policy of Deng Xiaoping; see Mühlhahn (2022, Chapter 4).
6. Back in the 1960s and 1970s, the discussion on sustainability took a much broader view of the concept; see the famous ‘Brundtland Report’ (World Commission on Environment and Development 1987).
7. See Kuhlman and Farrington (2010) for the difficulties of defining sustainability.
8. For a very readable introduction to the fossil fundaments of our civilisation, see Smil (2023).
9. For a view from the perspective of environmental and climate ethics, see Attfield (2016).
10. For a modernised view of the concept of the social market economy, see Tietmeyer and Solaro (2021).
11. The difficulties of defining the middle classes are discussed in Reho and Lambrecht (2023); see also Pew Research Center (2017).
12. In recent years, the new concept of ‘resilience’ has been emphasised by the European Commission (European Commission, Joint Research Centre 2023; Juncos 2017), but this also fits well with more traditional concepts of sustainability (see Hefele (2023)).
13. Referring to the examples of China and Russia, there is now a critical discussion on the alleged connection between a rising middle class and democratisation, as famously postulated by Seymour Lipset (1959); for a critical review, see Rosenfeld (2021).
14. This does not mean that the current tsunami of regulations and directives by the European Commission, strangling entrepreneurial activities and hampering European competitiveness, should be continued.
15. On the European AI strategy see European Commission (2023a).
16. Some initial thoughts can be found in Carius et al. (2018), but so far, traditional international relations theories have not fully integrated this concept..
17. One of the latest ‘achievements’ is the Corporate Sustainability Reporting Directive of 2023 (European Commission 2023b), updating the Non-Financial Reporting Directive of 2014 (European Parliament and Council 2014).
18. In German political science this paradox is known as the ‘Böckenförde dilemma’: ‘The liberal secularized state lives by prerequisites which it cannot guarantee itself’ (Böckenförde 1976).

19. Restrengthening the middle classes has to be at the centre of these efforts.
20. The danger of hollowing out formal institutions and processes through the development of electoral autocracies and illiberal democracies is widely discussed, e.g. for the Central and Eastern European countries.
21. At the latest after the Second World War, the members of the working classes considered themselves an important part of the middle classes, too.

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Abstract

Innovation plays a vital role in achieving sustainability goals, promoting a prosperous society and driving economic recovery. The EU needs disruptive innovation to meet its climate targets, decarbonise industries and ensure that citizens are not left behind. The technologies developed through innovation can enhance the EU's competitiveness as well as creating jobs and GDP growth, and also hold significant potential for addressing climate challenges and supporting the delivery of the UN Sustainable Development Goals.

Some studies emphasise that both digital and energy technologies have a significant carbon footprint, given that, for example, the manufacture of computers, the transportation of power-generation technologies from place of manufacture to place of deployment, the raw materials used to build smartphones and the energy consumed by these devices all entail environmental impacts. But the picture is more complex than this. This article argues that the development of these technologies should be seen as a great opportunity to enhance Europe's sustainability and the EU's policies for the green transition and its goals. The European Green Deal has proposed an ambitious agenda for achieving climate neutrality in the EU by 2050. This will not happen without investing in several 'clean' and disruptive digital and energy technologies, or without promoting policies that provide an enabling environment for these innovations to emerge.

Keywords

Innovation, Decarbonisation, Sustainability, Energy efficiency, Digital technologies, Green energy technologies, Clean technologies, Economic growth, EU policies

Introduction

This article first explores which, why and how innovation and the development of technologies present a significant opportunity to enhance Europe's sustainability goals and green agenda. It aims to give a balanced view regarding the significance of

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the information and communications technology (ICT) sector and technologies' carbon footprint, dispelling several common assumptions. The article then presents how this carbon footprint is improving, and how digital technologies, as well as green and clean energy ones, can drive further energy efficiency. Technological development and innovation are creating sustainable jobs, economic growth, and solutions for healthcare and climate challenges. The article then analyses a number of policy and regulatory considerations, outlining areas which require careful focus from policymakers and other stakeholders, and elements that they must avoid or address to ensure the sustainability of the EU's economy and society in the digital world.

Growing recognition of digital technologies as drivers of sustainability and the green transition

Technologies are key enablers for the attainment of the sustainability goals of the European Green Deal, which is the European Commission's ambitious agenda for achieving climate neutrality for the EU by 2050 (European Council 2023). Today, many policymakers in Europe believe that technology and sustainability should go hand in hand to facilitate the achievement of this objective. Many countries and companies understand that technologies—including digital and 'clean' technologies harnessing green energy sources—hold the potential to achieve greater sustainability. They are now racing to seize the opportunity they offer to enhance societal progress and economic prosperity.

Green, but also digital and innovative: the cornerstones of EU policy

Innovation in general and technologies in particular are a strategic stimulus as they can provide the impulse needed for economic development based on a digital transformation that is adapted to the demands of sustainability targets. The Commission itself has recognised that one of the ways the ICT sector can contribute most to its own decarbonisation and that of other sectors is through 'the power of data', that is, through digitalisation (European Commission 2020b).

The European Green Deal has placed renewed attention on the ICT sector, innovation and technologies, and this provides an opportunity to champion a digital transition that contributes to building a greener economy.

Why innovation is needed to drive sustainability

It is worth recalling why the EU needs to innovate to achieve a greener Union, a prosperous society and an economy that works for all: innovation can provide solutions to achieve the climate targets of the EU Green Deal, the decarbonisation of our industry and the economic recovery. In particular, without disruptive innovation it will take more time and more money to achieve the EU's climate goals ahead of 2050, along with an increased risk that citizens are left behind.

Innovation also offers an opportunity to boost the EU's competitiveness. This is particularly true of clean technologies, which include green hydrogen, deep geothermal, renewable electricity and a mix of technological decarbonising solutions. The 2022 *World Energy Outlook* of the International Energy Agency (IEA) assessed that clean energy technologies are now providing more jobs and adding more to GDP than fossil fuels. Specifically, 'clean energy jobs are already exceeding those in fossil fuels worldwide and projected to grow from around 33 million today to almost 55 million in 2030' in the IEA's scenarios (IEA 2022a, 22). At EU level, the 2020 *State of the Energy Union* report mentioned that the competitiveness of clean energy technologies is 'outperforming conventional energy source technologies' in labour productivity and employment growth (European Commission 2020a, 13). And, 'in terms of GDP, the clean energy sector is gaining importance in the EU economy, whereas the importance of conventional energy sources is decreasing' (European Commission 2020a, 13).

'Deep tech' innovations are also particularly likely to help the EU make the biggest gains in terms of climate, competitiveness and the economic recovery. These innovations are technologies and business models considered to be located at the technological frontier (Basilio Ruiz de Apodaca et al. 2023, 2). They include advanced technologies, from artificial intelligence (AI) and biotechnology to quantum computing, robotics and the development of advanced materials such as semiconductors (European Commission, Directorate-General for Research and Innovation 2018). Deep tech start-ups in Europe are developing solutions that can help address the world's biggest challenges and support the delivery of the UN Sustainable Development Goals (Romasanta et al. 2021; Walid 2023; Chen and Eliens 2022). If Europe's deep tech start-ups are successful, they could produce the volume of electric car batteries, sustainable construction materials and green hydrogen geothermal energy needed to achieve the EU's net-zero goals.

Europe has many assets in both clean and deep technologies, and in terms of their development, the trends are encouraging. The 'Climate and Purpose' category of European tech put together by London-based European venture capital firm Atomico is 'currently the third largest theme to attract investment in European tech, after Fintech and Software, capturing 18% of all funding, up from 15% in the first half of 2022' (Wauters 2023).

The carbon-footprint debate

Europe and the world are undergoing huge economic transformations, with digitalisation and decarbonisation at the centre. It is worth repeating that the relationship between these two processes is hugely complex, with direct and indirect effects that mutually impact each other. The ICT sector, like many others—if not all—faces challenges in its efforts to decarbonise and needs to undergo its own green transformation.

There is more to decarbonising than meets the eye. Emissions come from many different sectors and sources, with three-quarters coming from energy use (Ritchie et al. 2020). This energy use includes not just power, but also transportation, industry, buildings and

agriculture. It is a complicated system, with a lot of built-in infrastructure to tackle. According to several reports (*Arcep* 2023; The Shift Project 2019c; Heinze 2022), the sector that authors vaguely refer to as ‘digital’ (in *Arcep*, ‘*le numérique*’) represents 3% to 4% of greenhouse-gas emissions worldwide, and 2.5% of our carbon footprint. The digital sector thus forms a relatively small part of energy consumption, but has effects on other sectors’ emissions, both direct and secondary (Bergmark 2022; Kamiya 2021). For example, the use of a smartphone and GPS has effects on city infrastructure and transportation. While the production of smartphones has a significant carbon footprint (Abd El Aziz 2022), the mobile applications individuals use can provide solutions that make cities more liveable, for example by improving traffic, or by facilitating public transport planning or waste management. Technologies’ impact varies depending on the industries they are used in. For instance, while the financial sector mainly provides intangible services such as loans and insurance, it uses ICT much more than other sectors (Rosso 2023). ICT represents 45% of this sector’s carbon footprint. The same is true for large tech companies, where the figure stands at 41%. In comparison, in the retail, energy or manufacturing sectors, the use of ICT forms a much smaller portion of the carbon footprint—around 10% to 12% (Rosso 2023). It is therefore vital to nuance the energy-intensive picture often attributed to the ICT sector.

It is worth mentioning that there is a shortage of data on how ICT is contributing, or otherwise, to the fight against climate change, and on where the balance lies between greater energy efficiency and greater use of ICT (Naujokaitytė 2021). In addition, claims that ICT’s carbon footprint is out of control misrepresent the facts. For example, streaming services are often associated with energy use and carbon emissions from devices, network infrastructure and data centres. The IEA itself debunked an assumption, widely covered by the media, that watching a 30-minute show on a streaming app such as Netflix emits as much carbon dioxide as driving 6 km in a car (The Shift Project 2019b; 2019a). In fact, the IEA demonstrated that the impact of streaming on the climate is actually modest compared to other sectors and activities (Kamiya 2020).

In recent years, the ICT sector has made progress towards decarbonisation. In fact, it is one of the few sectors that is on track to decarbonise and is the first to have developed sectoral, science-based targets to limit global warming (Cunliff 2020). What is more, the industry is producing powerful technologies such as AI, data analytics and smart grids, which support other sectors’ energy-efficiency goals. Many promising methods are being developed to reduce energy use in the ICT sector, such as designing more energy-efficient hardware and systems to train algorithms or validate blockchain transactions (Xu 2022; Agur et al. 2022).

There have been concerns that the dramatic growth in demand for digital technologies and ICT would result in catastrophically higher energy consumption. But these expectations have not materialised. While there has been and will likely continue to be rapid and strong growth in data centre services and connected devices, rapid improvements in the efficiency of computing, data centres and data transmission networks have moderated the impact of the tech sector on energy consumption. Since 2010, emissions have grown

only modestly (Malmodin 2020), despite rapidly growing demand for digital services. Data centres' energy use has been mitigated, despite the huge growth in Internet traffic, through energy-efficiency improvements in computing, renewable energy purchases by ICT companies, the better handling of data centres' service demands and progress on procuring renewable electricity (IEA 2022b; Digital Europe 2020; IEA 2022c; Masanet et al. 2020). In an examination of the efforts made by the industry to improve energy efficiency in data centres and infrastructure, the IEA found that 'since 2010, data center energy use (excluding crypto) has grown only moderately despite the strong growth in demand for data center services, thanks in part to efficiency improvements in IT hardware and cooling and a shift away from small, inefficient enterprise data centers towards more efficient cloud and hyperscale data centers' (Princeton Digital Group 2023, 48; Microsoft 2020; Morgan 2021).

Furthermore, new technologies developed by the ICT sector represent an essential part of the decarbonisation toolkit. So-called climate technologies could deliver approximately 60% of the emissions abatement that will be needed to stabilise the climate by 2050. While significant progress still needs to be made, the drive to develop and scale such technologies is accelerating. The problem is that the technologies needed to solve the net-zero equation have not yet all been exploited, developed, deployed, made available or commercialised (Hellstern et al. 2021).

The promise of technologies to deliver sustainability

While ICT uses energy, it is at the heart of many solutions that reduce energy use and emissions. Digital technologies have the potential to enable a 20% reduction in global carbon dioxide emissions by 2030, saving almost 10 times as many emissions as they produce (*Digital Europe* 2021; Fryer 2019).

Potential areas of application for technologies through which to decarbonise sectors are multiple and include digital transport solutions, decentralised energy systems and smart climate-neutral communities. For example, technologies can help to track electricity needs, which results in increasing energy efficiency as less oil or coal is burnt (European Commission 2020b). Connected devices gathering data can streamline processes in construction and industry, which leads to a reduced use of resources and greater material efficiency. The digitalisation and transformation of products into digital services can cut wasteful overproduction, and could optimise or replace traditionally energy-intensive non-ICT activities (Simon 2020).

Digitalisation can enable the smarter use of energy in buildings, manufacturing, transportation, cities and a host of other areas. The creation of meat alternatives, improved energy storage techniques and better batteries for electric vehicles are crucial components in solving the climate crisis. Solar deployments and battery manufacturing are growing much faster than expected and, together, could help us to achieve net-zero carbon emissions by 2050 (Hellstern et al. 2021).

Examples of energy-efficient digitalisation:

- *Telework* reduces the energy consumption associated with commuting for work and business travel.
- *Precision agriculture*, an approach to farming that uses data to optimise inputs such as water, fertiliser and pesticides to maximise crop productivity, can prevent the overapplication of chemicals, which are a key source of greenhouse gas emissions in the agricultural sector.
- *E-commerce* reduces consumer travel, often resulting in lower carbon emissions than conventional retail. And while cloud computing centres use a significant amount of energy, much of that computing load replaces on-premise facilities that are far less energy efficient.
- *Driverless and connected cars* in the logistics sector could optimise the energy use of transport.
- *Digitising our grid systems* in the energy sector and in individual homes offers more flexibility, more clarity on supply and reduces waste. A *smart grid* gives energy users access to consumption data and pricing, enabling them to make smarter energy choices, reducing both overall and peak demand (which usually involves inefficient and dirty energy production), as well as leveraging distributed energy resources such as residential solar, wind and hydro power sources, and batteries.
- One tangible project the EU is working on is developing a digital replica of the Earth that will allow researchers and policymakers to better predict weather phenomena and test climate policies (European Commission 2023a).

AI powers many of the aforementioned systems. It is a good example of technologies' potential to enhance sustainability. Recent growth in computing power, the availability of data and progress in algorithms have turned AI into a strategic technology that can deliver significant energy efficiencies. The technology also offers tremendous benefits key to sustainability, especially in healthcare, for instance with the discovery of new treatments. AI can help improve and expand the current understanding of climate change itself, and can contribute to combating the climate crisis effectively (Cowls et al. 2021). Machine learning could help to build smarter, more efficient electricity systems, monitor emissions in agriculture, and develop new, lighter or stronger materials (CCAI 2019).

Yet despite its potential for energy efficiency, monitoring, balancing and minimising the net effects of digitalisation, innovation and technological development on energy use and emissions, and thus on climate, will require new approaches and policy choices. For example, it may be that automated vehicles are widely used for ride sharing in the future, leading to a drop in energy demand, but it could also mean that people opt to use vehicles more if ride sharing is cheaper. As another example, while telework involves high levels

of energy consumption due to increased heating and cooling demands, this could be offset by less energy being used for commuting. However, more people teleworking may mean that more people will move away from the cities; they may use different transport modes, buy a car and/or occupy a bigger home. It is hard to predict the future energy consumption patterns that new technologies will create as we do not know how they will be used, what applications might consume energy or whether energy efficiency trends can keep up.

It would be misguided to rely on efficiency alone to suppress the growth in energy use of technologies: this growth is too rapid. For instance, the efficiency of the hardware used in mining blockchain and cryptocurrencies may be improving drastically, but its energy use and footprint continue to grow. There will be a surge in demand for ICT, and we need to rely on even greater progress in renewables and energy efficiency to reduce emissions over the next 10 years.

Recommendations

As this article demonstrates, technologies can help reduce emissions, but can also increase them. It is not a given that digital solutions will support climate goals. This will rely on the implementation of strong and fair climate policies that incentivise the development and use of digital solutions. To achieve net-zero goals and advance clean energy, innovation and digitalisation are crucial. However, many of the technologies needed to reach our net-zero targets by 2050 and 2070 have not yet been commercialised. The private sector must increase its investment in clean and green tech to drive progress towards net-zero goals.

The EU should encourage digital adoption, voluntary improvements, and research and development in energy-efficient ICT to support industry efforts. Treating the tech sector as part of the solution, the EU's Green Deal policy proposals present an opportunity to leverage digital solutions to reduce carbon emissions. Energy-efficiency rules for the tech sector should remain proportionate, flexible and compatible with the diverse targets of different companies.

The EU has initiated various programmes to promote sustainability policies and technologies as part of the 'twin' green and digital transitions, such as the strategy and public-private partnership for hydrogen. However, these initiatives should be expanded to encompass more promising clean technologies. Deep geothermal, for instance, could meet a significant proportion of Europe's energy needs, but for this to happen it needs to be used more widely (European Commission 2023c).

To ensure a successful transition, the EU should focus on supporting the business models of the next generation of innovators, including green, clean and deep tech innovations from established companies, start-ups and investors. Overcoming barriers to innovation, such as a lack of cohesion among programmes and policies, limited risk

finance and risk-averse business environments, is crucial. The EU must translate its green and digital transition rhetoric into operational actions through increased research and development investments (IEA 2021) and not simply by repackaging existing funding (Bourgery-Gonse 2023a). Allocating a larger share and volume of funds to green energy in the EU's recovery initiatives would demonstrate the seriousness of its net-zero ambitions (Bourgery-Gonse 2023b; European Commission 2023b; Naujokaityté 2023).

To unlock the EU's potential, public–private tech ecosystems should be established, enabling sustainable global competitiveness. Additionally, international agreements on trade, intellectual property and climate change should be consistent to close the green tech gap. Like-minded countries and trade partners should align their policies in areas such as the environment, science, technology, innovation and industry. International trade cooperation is essential, with trade rules permitting developing countries to protect emerging green industries through tariffs, subsidies and public procurement. A global initiative and multilateral fund could be launched to provide information on low-carbon products and to stimulate green innovation (UNCTAD 2023).

Conclusions

Given its ambitions to deliver on the multidimensional ambitions of decarbonisation, global competitiveness and digital transformation, the EU has work to do. The article noted that while innovations powered by the ICT sector use energy, they also create many technological solutions that reduce energy use and emissions: telework, precision agriculture, e-commerce and the smart grid being examples of these. Clean, green and deep tech innovations in particular have the potential to drastically reduce global carbon-dioxide emissions while increasing the competitiveness of our economy. While costly and risky, investing in these technologies should be a no-brainer.

At the same time, although technologies can significantly contribute to reducing emissions, they do not automatically enhance energy efficiency. Their decarbonisation potential therefore needs to be deployed through a mix of industry and policy efforts, with a proportionate level of voluntary measures and regulatory scrutiny. A greater understanding of energy flows and the tech value chain is also needed (Fryer 2019), along with the promotion of new and better practices to decrease the carbon footprint of the ICT which information systems and networks use.

Furthermore, the economy of today and tomorrow is a digital economy. This means that countries are racing to harness technologies to stay ahead in an increasingly competitive geopolitical and economic environment. Being in the lead by investing in technologies means that Europe will be able to ensure greater economic and societal prosperity for its citizens. It will also give Europe the means to remain in charge of its future and, therefore, to preserve its values.

The EU has put in motion a number of policies that aim to deliver a more digital, greener economy and contribute to a more sustainable world. And Europe is home to

many innovative companies that have the potential required. With the right kind of support and environment, they can help to make Europe an innovation powerhouse, a greater economic power that is strong in the digital economy, without leaving anyone behind.

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Will Europe's next crisis be a water crisis?

European View

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Abstract

Water is an important factor in the effects of climate change and, at the same time, it is a victim of global warming. Extreme weather events such as prolonged heat, which causes droughts and flash flooding, have been reported by various European countries. Given these challenges, many EU member states have set up action plans for water management. The recent National Water Strategy from the German federal government is one of them. While these policies help to tackle country-specific challenges, given the fact that Europe shares water resources, coordinated action is also needed at the EU level. The EU Water Framework Directive and related legislation are key instruments in this regard. However, the implementation of water-related policies and regulations at EU level needs to shift from crisis management to risk management, taking an integrated, cross-sector approach, in order to prevent water challenges from becoming Europe's next crisis.

Keywords

Water management, German federal government, National Water Strategy, Water crisis, Climate change, Climate leadership, EU Water Framework Directive, Drought, Flood

Introduction

Water is the basis of life for all living beings and its flows transcend national boundaries. Cities and states were built on waterfronts. In the EU, 22 of the 27 member states are coastal countries, and 23 EU capitals are adjacent to either rivers or the coast. Many of the member states share access to the same bodies of water. Historically, water access enabled trade. Therefore, it makes sense that the EU, the initial purpose of which was to form a

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common market, established the EU Water Framework Directive (WFD) in the year 2000 (European Parliament and Council 2000). It has since been complemented by more specific legislation such as the Drinking Water Directive (European Parliament and Council 2020), the Groundwater Directive (European Parliament and Council 2006), the Floods Directive (European Parliament and Council 2007) and the Urban Waste Water Treatment Directive (European Council 1991),¹ to mention just a few. From their titles, these directives provide an insight into the various types of water use and the challenges to be dealt with regarding its protection and management, mainly due to the increasing effects of climate change.

'Water is the messenger delivering the bad news of climate change'²

The size of the task becomes evident when looking at media stories across Europe in recent months and even years, where water-related events and analyses of the causes of them are everyday headline topics. Prolonged, and at times extreme, heat, causing droughts and wildfires, as well as extraordinarily low river levels, have been reported in various European countries, including France, Spain and Portugal. Bulgaria, Romania, Poland and Greece, as well as the Nordic countries, are also showing symptoms of water stress. According to the European Drought Observatory (European Commission 2023), at the end of June 2023—that is, not very far into the summer—more than 45% of the territory of the EU27 was under a drought warning, while almost 7% was in alert status.

If these dry periods are followed by sudden heavy rainfall, catastrophic flash flooding can wipe out livelihoods, including crops, very quickly, as happened in Italy and Croatia recently, and in Germany in the summer of 2021. These incidents show how water is an important factor in the effects of climate change. This is reflected in both droughts and flooding, two extreme weather events that are usually considered polar opposites. Concurrently, the increasing groundwater shortages, as a long-term challenge, demonstrate that water is also a victim of global warming. Recent scientific findings have indicated that groundwater resources in large parts of Europe have been dwindling since the beginning of the twenty-first century, mainly due to excessive extraction for use in the supply of public water, as well as for agricultural and industrial production (Barnett 2022). Alongside water availability and consumption, the pollution of water bodies resulting from the input of chemicals, namely residues originating from agricultural production, pharmaceuticals, cosmetics and detergents, is also an environmental and thereby a policy challenge.

Water in the context of the energy world of tomorrow

At the same time, water is an important element when it comes to combating climate change, for example, with regard to finding new ways of sustainable energy production. However, even low-CO₂ technologies for energy production and storage consume

enormous amounts of water. Photovoltaic power plants, for instance, frequently must be cooled and cleaned with water. Water is the raw material in the production of hydrogen, of which approximately nine litres is needed per kilogramme of hydrogen produced (H2.B Zentrum Wasserstoff Bayern 2023). Furthermore, the extraction of lithium, an indispensable raw material for electric vehicle batteries, for example, has a very diverse water consumption pattern depending on how it is extracted—in the process that currently dominates, however, which involves the evaporation of saline brine, consumption is very high (Algermißen et al. 2023, 5).

The establishment of a Tesla factory, with its water-intensive production facilities, in Brandenburg, a water-poor region not far from Berlin, is testament to the fact that the fabrication of more climate-friendly products can be quite testing for the environment and in particular for water resources. The protests around this project show how increasing competition for water can raise tensions and challenge social cohesion.

Another manifestation of conflicting goals regarding climate protection is an anticipated water-management issue in the same German region, south-east of Berlin. A recent study published by the German Federal Environment Agency predicts the likelihood of severe water shortages once brown coal mining is phased out, at the latest by the end of 2038, as a result of replacing this high-emission energy source with renewable energy sources. Mining for coal has the side-benefit of groundwater being pumped from the mining sites into the rivers of the area, among them the River Spree, which runs through Berlin and plays an important role in providing the capital with drinking water. Currently, about 40% of the river's water is from mining drainage. Together with the increasing likelihood of drought caused by the aforementioned effects of climate change, the Spree could, according to the study, carry up to 75% less water locally once mining has stopped (Uhlmann et al. 2023). This would have severe impacts on nature and the drinking-water supply in the region. With high temperatures expected over the summer months, just before the recess of the German Bundestag the Christian Democratic Union/Christian Social Union (Christlich Demokratische Union Deutschlands/Christlich-Soziale Union in Bayern, CDU/CSU) parliamentary group highlighted this matter in a parliamentary motion. This prompted the federal government, together with relevant stakeholders, these being the federal states and municipalities, to take the necessary steps in a timely manner to prevent imminent water scarcity in the region (German Federal Government 2023a). These examples show that time is of the essence—and a planned, proactive and thereby strategic approach is needed, both on the national and the European level.

Strategise national water management: the German government's recent National Water Strategy

Given the aforementioned challenges which most EU member states are faced with in different forms of appearance and urgency, many have set up strategies and action plans for water management. The recent National Water Strategy from the German federal government is one such plan and was adopted in March 2023 (Germany, Federal Ministry

for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection 2023b). In view of the consequences of climate change, the federal government intends to initiate a new era of water transition (*Wasserwende*, or ‘water turnaround’), focusing on 10 strategic themes, challenges and visions for 2050 in order to accelerate the transformation of the water sector (Germany, Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection 2023a).

The objective of the strategy is to provide anticipatory responses as to how the water supply for both people and the environment can be secured in sufficient quantity and necessary quality by the year 2050. The National Water Strategy has several different foundations. The coalition agreement of the ‘traffic-light coalition’ government, composed of the Social Democrats (Sozialdemokratische Partei Deutschlands, identified with the colour red), Liberals (Freie Demokraten, yellow) and the Green Party (Bündnis 90/Die Grünen), is one of them. In addition, the outcomes of a multi-year national water dialogue involving experts from water management, agriculture and other economic sectors; research associations; the federal states and municipalities; and the national citizens’ dialogue on ‘Water’, have also been taken into account. However, a large part of the process had also already taken place under the CDU/CSU-led grand coalition with the Social Democrats. The Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection has the overall lead.

The topics covered span from raising awareness of water as a global resource to natural water management and the risks arising from chemical inputs, the climate-adapted development of water infrastructure, energy- and material-cycle issues, and the efficiency of administrative bodies. The strategy is flanked by a comprehensive programme of almost 80 measures to transform the water sector into a more sustainable one.

During a consultation process, the federal states and their associations had the opportunity to make suggestions and comment on the draft National Water Strategy. While the strategy has been welcomed in principle, the main points of criticism centre on questions of implementation, in particular a lack of specificity about responsibilities, financial resources and timelines, as well as deficits in the prioritisation of measures, monitoring and data accessibility. Furthermore, the requirement for the need for more people to carry out the implementation is highlighted, in view of the somewhat precarious resources at the disposal of the administrations responsible (Uhlmann et al. 2023).

Other member states of the EU have also set up or announced national water plans or strategies, either explicitly or as part of broader environmental policies, in an attempt to manage the challenges around water in the context of climate change. This is the case for Austria, Finland, France, Italy, Malta, the Netherlands, Poland and Spain. However, the extent to which these plans refer to the European WFD varies between countries.

A coordinated European response?

Given the fact that Europe shares its water and marine environments, protecting these resources and ecosystems from over-abstraction, pollution and other threats requires

coordinated action at EU level. According to Article 1 of the EU WFD, its purpose is to establish a framework for the protection of inland surface waters, transitional waters, coastal waters and groundwater. As a key tool for implementing the WFD, member states are requested to draw up River Basin Management Plans and outline specific measures to achieve the purpose and environmental objectives set out in Articles 1 and 4, namely to prevent and reduce pollution, to promote sustainable water use, to protect and improve the aquatic environment, and to mitigate the effects of floods and droughts.

To ensure the coherent, coordinated and cooperative implementation of the WFD and the more specific directives that relate to water, a Common Implementation Strategy was agreed between the EU member states, Norway and the European Commission just a few months after the WFD entered into force. Triennial work programmes regularly update the strategy to address priorities in water protection and management. The fields of activity outlined in the current work programme (2022–4) focus on enhancing the implementation of the WFD through more systematic approaches to tackling the challenges surrounding water. In particular, additional efforts are needed to continue increasing water-use efficiency in various sectors, to further improve the coordination and coherence of the sectoral plans, to include adaptation strategies and enhance drought management in Europe, and to improve the data available on water quantity. These efforts need to be undertaken in an attempt to promote resilience in the greater context of climate change (CIRCABC 2021).

Just as water is a transboundary resource, so are the challenges relating to its protection and management. Solutions to these problems therefore also have to be systematic and coordinated. As a report by the European Environment Agency (2021) puts it, water-related policies and regulations are in place at the EU level, but their implementation needs to be improved and there needs to be a shift from crisis management to risk management, which will come from taking an integrated, cross-sector approach. The EU Green Deal (European Commission 2019) as well as the EU Strategy on Adaptation to Climate Change (Climate Adapt 2022) represent opportunities to create synergies to achieve sustainable water management and reduce vulnerability to water stress. Raising awareness among the populations of the EU member states will be essential. National water strategies could assist here, as they can focus on the specific situations in the respective countries. The policies of sectors such as industry and energy also have to be taken into account, especially with regard to water reuse.

A matter of security and social cohesion

It is increasingly understood that basic questions around the management of water, especially access to it and priorities in the context of scarcity, are becoming a political issue (Weise and Zimmermann 2023)—including at the global level, where water management is seen as a cross-cutting key element in achieving the UN Sustainable Development Goals and as an element of human security (IISD 2023). The German federal government's recent National Security Strategy also prioritised the security aspect of water in terms of access to it and the protection of water resources, and makes reference to the

National Water Strategy (German Federal Government 2023b, 21 and 67). Tensions arising from growing competition over water could spark further migration from water-poor world regions. Increasing water stress could likewise challenge social cohesion, not only in the EU, but even within its member states. In particular in the south of Germany, legal disputes related to the prioritisation of the water supply or the distribution of costs for the use of water as a limited resource are reported to have doubled over the past two decades (Joeres et al. 2022). In western France, there have even been violent clashes following tensions between environmentalists and farmers over the construction of water reservoirs (Guillot 2023).

Conclusion

To prevent water challenges from becoming Europe's next crisis, the EU should strive for real climate leadership by making use of the legal and institutional framework at its disposal to take its water diplomacy to the next level. Efforts to strengthen diplomatic outreach and technical support for transboundary water governance, the coordination of state and civic actors, and focusing on water reuse and improved water efficiency in the energy and industry sectors, as well as directing climate finance into scaling up regeneration efforts, are important steps to take towards having a holistic view of water and combating scarcity—or ideally even partly reversing it.

Notes

1. In October 2022, the Commission adopted its proposal for a revised directive (European Commission 2022).
2. According to J. Famiglietti, hydrologist and director of the Global Institute for Water Security at the University of Saskatchewan, quoted in Barnett (2022).

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The EU as an innovative force for global governance

European View

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Abstract

The EU has outgrown the Westphalian system of international relations. In its present form, the EU is neither a state nor an association of states. It can be described instead in new terms as a democratic union of democratic states, which operates on the global stage as a democratic international organisation. Although it is far from perfect, the EU demonstrates that perpetual peace and effective global governance are not only thinkable but also practicable. While the modern state system of centuries past elevated the principle of absolute state sovereignty as the exclusive dogma of international relations, the world needs a new paradigm to address the global challenges of the twenty-first century. Academics from relevant disciplines, notably lawyers, political theorists, historians and philosophers, are called upon to undertake an interdisciplinary endeavour to devise a new template for the multilateral era.

Keywords

European democracy, Global governance, Westphalian system of international relations, Ever-closer union, Rule of law, European citizenship education

In memory of Wilfried Martens, who encouraged me to look ‘beyond Westphalia’.

Introduction

The EU embodies the most consequential innovation of the modern state system since the introduction of the latter in the wake of the Middle Ages. The hallmark of the EU is that it applies the constitutional values of democracy and the rule of law to an international organisation. As a result, the EU can no longer be comprehended in the traditional

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terms of the Westphalian system of international relations as either a state or an association of states. Instead, the EU has established itself as a new kind of international organisation, which can be identified in academic terms from the UN perspective of global governance as a democratic regional polity, and from the internal viewpoint of its citizens as a democratic union of democratic states. In short, the EU is a union of states and citizens which works as a European democracy (Hoeksma 2023, 79–80).

This article aims to investigate the relevance of the Westphalian system for today's political theory and to analyse how the evolution of the EU from an internal market to a democratic transnational polity has propelled the Union beyond the traditional template into a conceptual *terra incognita*.

Eternal foundation

The historical reason as to why this legal-political innovation took place in Europe is that the old continent formed the theatre for two devastating world wars in the first half of the twentieth century. Since the start of the early modern era the states of Europe had been conducting their mutual affairs on the basis of the Westphalian system of international relations. The core of this system consists of absolute state sovereignty. In reaction to the feudal mindset of the Middle Ages, philosophers such as Bodin emphasised that sovereignty had to be one and indivisible. The very idea that states had to respect a higher authority was perceived as unbearable. Internally, the sovereign was free to treat his subjects as he pleased and, in the field of foreign affairs, the ruler was guided merely by the *raison d'état*. In consequence, war was regarded as the continuation of diplomacy by other means. Less than two centuries after its introduction, the Westphalian model was praised by Jean-Jacques Rousseau as the eternal foundation of our international system (Bick 2020, 4).

After its restoration in the wake of the Napoleonic adventures at the turn of the seventeenth and eighteenth centuries, the Westphalian system was regarded by statesmen and theorists alike as the guarantor of the balance of power. The large European states, notably Great Britain, France and Russia, had to control each other's ambitions through fluctuating partnerships with the Austro-Hungarian Dual Monarchy, the Ottoman Empire, and the 'latecomers' Germany and Italy. They granted each other their own spheres of influence to the detriment of smaller states such as Poland, Denmark, Ireland and Luxembourg.

The position of the smaller peoples in international law was strengthened by the emerging principle of self-determination (Kooijmans 2008, 2). Whereas the Westphalian model makes a sharp distinction between the internal and the external dimension of absolute sovereignty, the right of peoples to govern themselves increasingly gained recognition in the course of the late nineteenth and the early twentieth centuries. Seen from this perspective, the outcome of the Great War (1914–18) is particularly striking. The first of the two world wars of the twentieth century resulted in the demise of four empires and the rise of numerous smaller sovereign states on the old continent and in the Middle East. However,

both the Treaty of Versailles and the League of Nations failed to address the root causes of the war by leaving the principle of absolute sovereignty untouched. Two decades later, Germany disrupted the balance of power once more and violated the principle of self-determination for the sake of the creation of '*Lebensraum*' and the Third Reich.

The legacy of Westphalia

The Organisation of the United Nations, which was founded in 1945 with a view to 'sav[ing] succeeding generations from the scourge of war, which twice in our lifetime had brought untold sorrow to mankind' (UN Charter 1945), reaffirmed the right of self-determination and subsequently applied it in the context of decolonisation, which was to liberate countries in the Global South from Western domination. At the same time, the UN reaffirmed the universal faith in human rights and encouraged regional international organisations to promote its values. On the old continent, 10 countries established the Council of Europe in 1949 and adopted the European Convention on Human Rights and Fundamental Freedoms in 1950. Promising as these developments appeared to be, they did not meet the demand for 'no more war' which had been expressed by the peoples of many European countries. The difference between the existing organisations and the European Coal and Steel Community was that the founding states of the latter breached the principle of absolute sovereignty by attributing the exercise of sovereignty over the raw materials required for war to a higher authority. Thus, the process of European integration started as a deliberate attempt to overcome the constraints of the Westphalian system (Kapteyn and VerLoren van Themaat 2008, 7).

Although the stakeholders in the emerging polity deliberately departed from the traditional paradigm, their way of thinking was set to be dominated by the Westphalian approach for decades to come. In line with the artificial distinction between states and international organisations, scholars continued to propagate the view that the values of democracy and the rule of law can only thrive within the borders of a sovereign state. In addition, they argued that relations between states had to be regarded as a zero-sum game and that the gains of one party implied a loss to the other. In the bellicose Westphalian concept, war would, by definition, bring about both a victorious and a defeated party.

The legacy of the Westphalian paradigm caused a paralysing debate and intellectual stagnation in the emerging polity (Hoeksma 2016, 11). While all participants in the discussion about 'the nature of the beast' wanted post-war Europe to be democratic, one school of thought located the seat of democracy in the polity per se, while the other school held with equal vigour that the member states were to be regarded as the natural keepers of democracy (Magnette 2006, 190). So, the federalists championed the creation of an overarching European state with a bicameral parliament and an independent judiciary, while the intergovernmentalists insisted on the establishment of a Europe of democratic nation-states or—in the words of its most influential propagator, Charles de Gaulle—a *Europe des Patries*. Over the decades, the two opposing schools came to mistrust each other to such an extent that progress could only be made if and as long as the end goal of the common effort was not mentioned (Hoeksma 2016). In hindsight, the

emergence of this ‘paradox of the *finalité politique*’ is all the more perplexing, since the drafters of the 1957 Treaty of Rome had consciously chosen to formulate the objective of their endeavour in post-Westphalian terms so as ‘to lay the foundations of an ever closer union among the peoples of Europe’.

The democratisation of the EU

This state of mind is the main, if not only, reason why post-war scholars and politicians were unable to observe that the ever-growing European polity was evolving in a direction different from the one they had predicted on the basis of their academic or ideological presumptions. While customs unions are not uncommon in international law, the finding of the European Court of Justice in 1963 that the member states had given their Community an ‘autonomous legal order’, could have been perceived as a clear sign that the emerging polity had started to move away from the Westphalian system. The ensuing identification of the Communities as a Union of democratic states (*EC Bulletin* 1973) served as an encouragement for the member states to ensure that their polity would also acquire a democratic legitimacy of its own. They transformed the existing Parliamentary Assembly into a directly elected Parliament. The first direct elections for the new parliament were held in the spring of 1979, albeit with its members chosen by the electorates as citizens of the member states brought together in the Communities. The architecture of European democracy was changed through the foundation of the European Union and the introduction of EU citizenship in 1992. Contrary to the demands of the Westphalian system, the new status established a direct link between the Union and its citizens and subsequently enabled the citizens to participate in the political life of the Union. The constitutional character of the emerging polity was accentuated through the introduction of the values of the Union by virtue of the 1997 Treaty of Amsterdam. The Charter of Fundamental Rights of the Union, which was proclaimed in 2000 at the summit of Nice, was integrated into the 2007 Lisbon Treaty, which came to replace the ill-fated Constitution for Europe after its rejection in 2005. The Treaty of Lisbon defies the Westphalian dogmas by construing the EU as a democracy without turning it into a state.

The entry into force of the Lisbon Treaty on 1 December 2009 was followed by an unprecedented series of crises. For almost a decade, the EU was shaking on its foundations and a number of member states raised the question of whether they should return to the Westphalian concept of national sovereignty. One country decided to withdraw from the EU altogether, while a number of other member states envisaged reform of the Union from within. Poland and Hungary notably rejected the introduction of the rule-of-law mechanism in 2020 and argued in a dispute before the European Court of Justice that the new mechanism amounted to unwarranted interference by the EU in the internal affairs of sovereign states. The Court rejected this utterly Westphalian complaint by establishing that the member states (1) had voluntarily created their Union, (2) had first agreed among themselves on their common values, and (3) had subsequently applied these values to their Union (European Court of Justice 2022a; 2022b). By concluding that the Union must also be able to defend these values within the limits of its competences, the Court demonstrated beyond doubt that the EU has abandoned the Westphalian system.

Conclusion

In line with academic norms, this article observes the EU as it can be perceived beyond the premises of the traditional paradigm. Removing the Westphalian veil allows for a better diagnosis of the achievements and shortcomings of the EU since the introduction of the rule-of-law mechanism. The following points may serve to give a first impression of the far-reaching consequences of the abandonment of the Westphalian system.

1. Thanks to its construction as a union of states and citizens, the EU has been able to overcome its notorious democratic deficit. By creating a dual system of democracy *in Europe* and democracy *of Europe*, the EU ensures that decisions on both the national and the transnational level are democratically controlled.
2. Contrary to initial expectations, the EU does not undermine the rule of law but rather reinforces the constitutional character of its member states.
3. In consequence, the EU embodies a new model of democracy. Transnational democracy is a system of governance for a union of democratic states, which also constitutes a democracy of its own. In short, the EU has evolved from a confederal union of democratic states to a European democracy of states and citizens.
4. As the EU is neither a state nor an association of states, the two opposing schools in the debate about the nature of the EU should bury the hatchet. In consequence, the EU should conduct its communication on a contemporary footing by presenting itself as a union of states and citizens which works as a European democracy.
5. The EU should position itself on the global stage as a democratic regional polity.
6. As a democracy, the EU is still young and fragile. It needs to strengthen its democratic institutions, involve its citizens in the political life of the Union and initiate European citizenship education. It should draw on the conceptual consequences of its transition from a confederal association of states to a transnational democracy of states and citizens at the next Convention.
7. The challenge for the academic community is to devise a political philosophy that is capable of informing and explaining the functioning of the EU as a transnational democracy.

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Author biography



Jaap Hoeksma (*b. 1948*) studied philosophy of public law at the Free University of Amsterdam. He worked with the UN High Commissioner for Refugees (1976–90) and founded his company Euroknow in 1991. He is creator of the board game Eurocracy and author of European Democracy (2019) and The Democratisation of the European Union (2023).



The geopolitics of democracy: The US against Russia and China

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Abstract

After the collapse of the Soviet Union, American democracy set an example for the rest of the world, having proved its resilience to the authoritarian regime of the USSR during the Cold War. However, in recent years, China, which has adopted a different model of governance, a mixture of political authoritarianism and economic capitalism, has directly challenged the quality and credibility of American democracy. The more Beijing grows economically, the more it challenges Western institutions and the international order. It believes that there are alternative paths to prosperity.

Russia, a classically authoritarian regime, agrees with China, with which it has developed close political and economic relations. The inherent problems of American democracy, especially under the Trump administration, have been used by Beijing and Moscow to support their arguments. The Russo-Ukraine war, aside from other interpretations, can be characterised as a dispute between democratic and authoritarian regimes.

Keywords

US, China, Russia, Democracy, Authoritarian regime, Capitalism, Geopolitics

Introduction

Aside from the economic, commercial, technological and defence competition between the US (and the West in general) and China, one of the areas of ‘conflict’ concerns the differences between the two ‘worlds’, meaning the institutional and socio-political models of governance followed by each country.

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The democratically liberal-capitalist paradigm of the US is diametrically opposed in nature and content to the authoritarian-capitalist system of China. However, as China gains a larger share of the global balance of power and openly challenges US hegemony and the US model of governance, the debate about which of the two systems leads to more economic and social prosperity, thus ensuring that this system spreads and prevails globally, becomes more intense.

The aim of this article is to highlight the diversity of the governance models of the US, China and Russia and how this determines alliances at the international level. China and Russia, in the coming years, will come closer together, especially in trade and economic terms, thus strengthening the political ties between them. Challenging American hegemony is the ultimate, common goal of both.

The following sections first analyse the historical context of the development of American democracy from the collapse of the USSR to the victory of Joe Biden in the last American elections. The article then focuses on the Chinese model of governance, as well as the attempts to challenge Western democracy by China and Russia. Finally, the current Russo-Ukrainian war is analysed in light of the confrontation between democratic and authoritarian regimes.

American democracy in crisis

Among other consequences, the collapse of the Soviet Union confirmed that the quality of US democracy was the pillar supporting its economic development and the foundation of its global dominance. In other words, the governance model of the US was an example for the rest of the world, having proven its resilience during the Cold War period. According to some researchers, the reason for the dominance of the US over the authoritarian and autocratic USSR lay in the democratic quality and superiority of the US political system (Taussig and Jones 2019). This is why, between the end of the Cold War and the installation of the Trump administration, the US, in a missionary role, undertook the idealistic task of expanding and consolidating democracy on a global level (Arvanitopoulos 2003, 110).

In the era after the Cold War, liberal globalisation conquered the world, advancing US interests (Roumeliotis 2002, 76), while international relations theorists tried to interpret the structural changes in the international system and the evolution of the world since the Cold War. This was evident in the work of Francis Fukuyama (1992) in his book, *The End of History and the Last Man*, and of Samuel Huntington (1996) in his *The Clash of Civilizations and the Remaking of World Order*.

The golden age of US hegemony and the global reach of US democracy was abruptly interrupted by the terrorist attacks of 11 September 2001. These resulted in a policy shift from the Bush Jr. administration and led to decisions being made that would alter the content of US democratic politics. More state intervention and the curtailment of the civil rights of US citizens, in the name of security, led to a huge increase in state control, the militarisation of the security/police forces and less democracy.

After the 9/11 terrorist attacks, the ideology of spreading democracy in the world continued to be a key component of US foreign policy, used to justify the US interventions in Afghanistan (2001) and Iraq (2003). Similarly, it became a key parameter of the ‘Arab Spring’ (2010), which aimed to achieve the democratisation of the Middle East and North Africa (Egypt, Tunisia, Libya and Syria). However, the Spring ended in an ‘Arab Winter’, as new, more authoritarian and extremist, Islamic regimes and fragile states emerged out of the chaos caused by outside interventions (Hila 2020, 156).

Under the Trump administration, the US abandoned its role as the democratic crusader in the world. Domestically, meanwhile, it trod a dangerous path in terms of democracy as the country’s political life became besieged by intolerant, nationalistic and xenophobic slogans (Arvanitopoulos 2022, 95). The violent attack on Congress on 6 January 2021 by supporters of former President Trump shook the foundations of US democracy.

The election of Joe Biden to the presidency has brought to an end the trauma of the Trump administration, but the wounds to the body and the international image of the democratic US remain. Furthermore, Biden’s election marked a shift in the choices and direction of US foreign policy in favour of multilateralism in terms of the way the US treats its allies.

China’s political-economic model of governance

From very early on, Westerners sought to integrate China into international organisations (the WTO, the International Monetary Fund, the World Bank), but Beijing did not participate in the way they thought it would. China promoted its own regional and international cooperation with Asian, African, Latin-American and European countries, while seeking to change the terms and rules of the international organisations and international law to better protect its interests.

Westerners are puzzled by the fact that China has been able to develop without following the path of liberal capitalism, but rather by giving the latter a highly authoritarian form, which fits perfectly with the nature of its political system. In other words, this politically authoritarian regime has implemented an authoritarian version of capitalism and managed to grow continuously, raising questions and fears in the West (Ang 2018).

Deng Xiaoping, who assumed the leadership of China in December 1978, gave a new form and direction to the country’s economic system, leaving aside centralised economic statism and moving to conditional capitalism. By opening up China to the world and giving individuals the opportunity to do business, his reform effort led to the rapid growth of the Chinese economy. The economic model applied involved making high levels of domestic savings, financing industrialisation and promoting exports, combined with a gradual, but state-controlled, liberalisation and privatisation of important sectors of the Chinese economy.

Deng, however, rejected Western-style democracy, as it conflicted with Communist ideology. The foundations were laid, therefore, for a peculiar state entity, which, while remaining authoritarian at the political level, adopted capitalism at the economic level, thus creating a hybrid regime.

In contrast to the US model of spreading democracy around the world, China favours establishing economic ties of interdependence that primarily serve its own interests. In this context, Beijing is constantly strengthening its geopolitical and geo-economic inter-connectivity with countries in its region and beyond, especially in the context of the ‘One Belt One Road’ initiative. This strategy will link China by land and sea with Europe, Central Asia and South Asia, and will ensure its control of the transportation of goods and raw materials to and from China (Roumeliotis 2019, 49). This ‘new Silk Road’ will allow China to significantly increase its economic and political influence in the Asia–Oceania region.

China challenges Western (US) democracy

Increasingly in recent years, China, enjoying the full support of Russia, has questioned the quality of Western institutions. China considers the Western liberal vision for the international order to be lacking in legitimacy, especially in its own geographical region, that is, South-East Asia.

During the 19th Congress of the Communist Party of China in 2017, the Chinese president stated that China’s model offers a new option for countries and nations that want to accelerate their development, maintain their independence and ignore external pressure for democratisation (Xi 2017). This message was particularly attractive to those leaders who hope to achieve economic success without meeting the democratic demands of their own people. Chinese officials usually talk about the ‘right’ of nations to choose their political systems, whether democratic or authoritarian—and the arrogance of countries, such as the US, which believe that democracy is the preferred option (Hila 2020, 170)

When confronting the US, China argues in favour of the superiority and effectiveness of its own political system, contrasting this with the failures and deadlocks of US foreign policy. The cases of Afghanistan and Iraq, where democratic institutions were forcefully imposed without being the will of the people, are sufficient examples for Beijing.

Professor Stephen Walt argues that the lessons in morality and democratisation that Western powers have tried to give through their military interventions have not been accepted by the rest of the world. The perception of Americans, that hostility towards the US has nothing to do with its policy but is the result of a rejection of American values, is therefore not accurate. In addition, Professor Stephen Walt argues that non-Westerners, who have different values, are not necessarily less moral (Krastev 2020, 24; Walt 2018, 175).

China believes that the path to social prosperity does not necessarily have to be the same as the one taken by Westerners. According to researchers Torrey Taussig and Bruce Jones (2018), China's economic power demonstrates that nations do not need to democratisate to reap the benefits of the global economy. However, the growth of the Chinese economy has not been accompanied by a corresponding growth in the perception of human rights, the welfare state and the rule of law. It is a development only for the few, those who maintain close relations with the Chinese Communist Party.

The ideological ‘conflict’ between the US and China in light of the Russo-Ukraine war

China and Russia have many reasons to work with each other, the main one being to decrease US hegemonic power, which is a major and common concern for both. At an institutional level, the Chinese and Russian political and social systems also share a common basis: authoritarianism, albeit that this operates differently within each state. In China, authoritarianism is a safety net for the bureaucracy, which controls every political, social and economic aspect of life and is intertwined with the Communist Party. In Russia a small economic oligarchy derives its power from a personal political leadership with authoritarian characteristics.

Between the beginning of February 2022, which saw the signing of the Sino-Russian alliance, a strategic cooperation ‘without limits’, as it was meaningfully described by both sides, and the outbreak of the Russo-Ukrainian conflict, the German press (Papadimitriou 2022) was already speaking of an ‘axis of authoritarianism’. The war has not only not weakened the relationship between the two states but rather has furthered their common goal to challenge and diminish American power on a global level, starting with Russia’s forward presence in Eastern Europe and China’s in South-East Asia.

A few days after the outbreak of the Russo-Ukrainian war, in his speech to the US Congress on 1 March 2022, US President Biden declared that the Ukraine War was a battle between democratic and authoritarian regimes (Biden 2022a). In addition, on 21 March 2022, he made a momentous statement at the Business Roundtable in Washington, DC. Specifically, Biden said, ‘And now is a time when things are shifting. There is going to be a new world order out there, and we got to lead it. And we’ve got to unite the rest of the free [democratic] world in doing it’ (Biden 2022b). There is no doubt that his mention of a ‘new world order’ points to the new fragmentation of the world into zones of influence between democratic countries and those with authoritarian regimes.

In this light, the Russian invasion has been interpreted as an affirmation of the aggression of authoritarian regimes and their attempt to export their authoritarianism in international relations. At the same time, Vladimir Putin’s decision to invade Ukrainian territory shattered any illusions that existed in the West about China’s role and attitude towards the war, which Beijing insists on describing as a ‘crisis’, while tracing its causes to NATO’s ‘aggression’.

Meanwhile, the war in Ukraine has revealed the limited possibilities for the West in its competition with authoritarian regimes. For example, Western economic sanctions against Russia have forced the country into a greater embrace and closer economic cooperation with China. On the other hand, the Russo-China relationship is characterised by an imbalance. But the approximation of these two powers has enormous significance for global security and the global balance of power, because China, the world's rising economic power, which will surpass the US economy by 2030, is ruled by an authoritarian regime. Historically, the hegemon of the international system has sought, among other things, to export and impose its own political system.

Conclusions

In conclusion, the ideological rivalry between the US and China predates the global events of recent years. However, it is now clear that the changes and upheaval in international relations and the global economy caused by the Covid-19 pandemic and the Russo-Ukrainian War have accelerated the existing fragmentation of the international system into zones and spheres of influence of the major economies. They have also sharpened the ideological and political antagonism between liberal states and capitalist-authoritarian regimes.

The leading power for states in the authoritarian bloc is China. Westerners fear that China's economic rise will signal, *inter alia*, the spread of its authoritarian rule and the overthrow of democracy worldwide. However, Beijing so far shows no signs of wanting to impose the Chinese model on the world, apart from establishing a number of cultural and linguistic centres abroad. China is more interested in establishing economic relations with third countries, usually through imbalanced and unequal economic agreements that secure its supply of raw materials and energy, and in the global technological dominance of its digital giants (e.g. Baidu, Huawei, Alibaba, Tencent and Xiaomi).

China's growing economic power and geopolitical influence constitute the basis from which to challenge the global US hegemony, starting in South-East Asia and the Indo-Pacific. This fact has led the US leadership to ideologise this 'conflict', as it did in the past vis-à-vis the Soviet Union, by speaking about liberal democracies and authoritarian regimes.

The 'battle' between democracy and authoritarianism, or in other words between the US and China/Russia, will monopolise the interest of international relations researchers in the coming years. It will also become more intense as China continues to grow economically, challenges the US hegemony and acquires more leverage in international affairs (Arvanitopoulos 2023, 50). Beijing's ally in its effort to deconstruct, and defend itself against, the West will be Moscow, which also refuses to accept Western standards of governance. However, American democracy already counts a victory in this 'war', that of the collapse of the Soviet Union. Whether the US will be able to triumph again,

this time facing two allied rivals, depends on the quality of US democracy, and an understanding and correction of the distortions of US foreign policy over the last 20 years.

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Traditional media versus new media: Between trust and use

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Abstract

The article explores if and to what extent traditional media, namely TV, radio and the printed press, are still more popular than new media when it comes to news consumption within the EU. It also looks at the level of trust in different news sources across EU member states. The article is based on the results of a pertinent Eurobarometer survey and a Reuters Institute study. According to these sources, television is one of the forms of media most used to access news, followed by online news platforms and radio. Trust in the mainstream broadcast and print media is also higher than in online news platforms and social media channels. The findings seek to feed both the public discussion and academic dialogue on media consumption and trust, and convey some compelling empirical data and analysis.

Keywords

Media trust, Media use, New media, Social networks, Public sphere

Introduction¹

The media are of the utmost importance in disseminating information, imparting knowledge, and building up representations and ideologies in contemporary societies (Fotopoulos et al. 2022, 242). Pertinent research has shown that trust in news media among citizens seems, at the very least, fragile (Strömbäck et al. 2020, 139). Finland is the country with the highest levels of trust in the news media (69%), while Greece has the lowest rate (19%) (Statista 2023)—see Figure 1.

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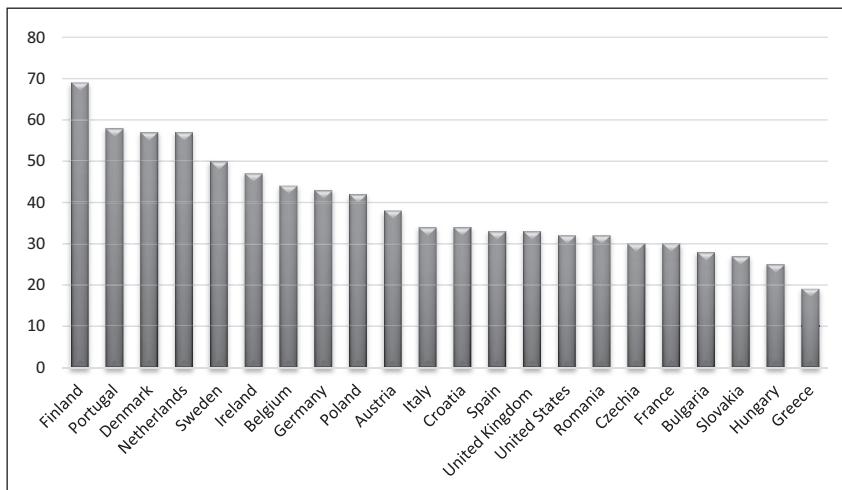


Figure 1. Percentage of adults who trust news media most of the time in selected countries worldwide (February 2023).

Source: Data from Statista (2023).

Meanwhile, the ever-expanding digitalisation process has created new high-choice media environments, making news more available and easier to access (Van Aelst et al. 2017, 5). New Internet-based media, including social networks, have penetrated people's everyday lives and have gradually become legitimate news sources (Pentina and Taradfar 2014, 211). Yet, for most people, television constitutes the main source of news consumption, notwithstanding the diversification of each country's media environment (Couldry et al. 2010, 48).

Against this backdrop, this article explores if and to what extent traditional media, namely TV, radio and the printed press, are still more popular than new media within the EU in terms of news consumption. At the same time, it looks at the level of trust that people have in various different news sources across the EU member states. To shed light on these two topics, the article relies on the results of a pertinent Eurobarometer survey and a Reuters Institute study. Thus, the article constitutes neither primary research nor an exhaustive or large-scale analysis of news consumption and trust in the news media as a whole.

Recent years have seen the increasing alienation and disenchantment of citizens with politics and the media (Braw 2014, 4), with the rise of a new wave of so-called alternative media and populist parties worldwide (Mauk 2020, 45). While a lot has been said about the negative effects of populism on democracy and on the political and media institutions (e.g. Kyle and Mounk 2018; Fawzi 2022), the current article seeks to feed both the public discussion and academic dialogue on citizens' trust in institutions. In this regard, it conveys some compelling empirical data and analysis, in conjunction with the underlying theoretical assumptions.

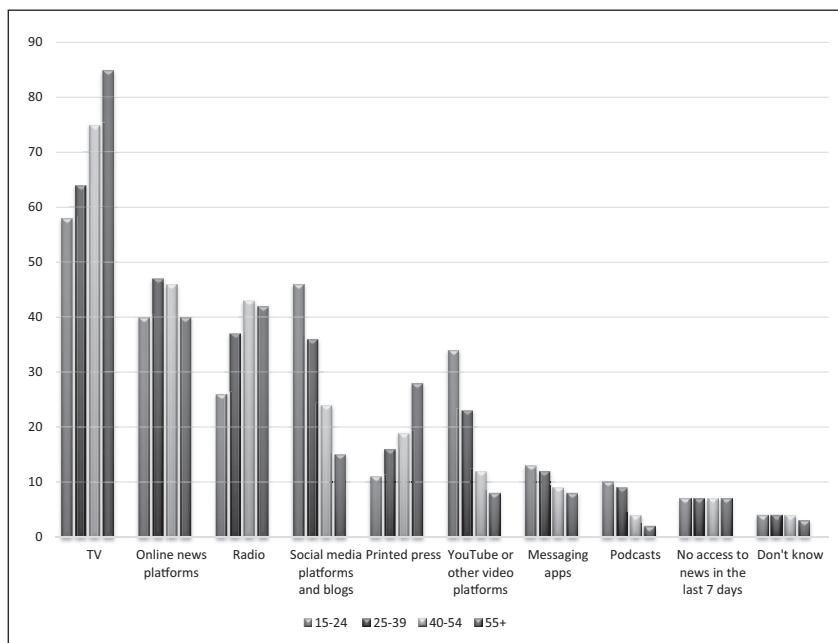


Figure 2. Most popular news sources by age in the EU27 (%).

Source: Data from Eurobarometer (2022).

Note: The respondents answered the question, 'Among the following, what media have you used the most to access news in the past seven days?'

Russia's war of aggression against Ukraine, persistent high inflation, Covid-19 and climate change, among other issues, pose new risks to media audiences, professionals, narratives and ultimately media environments. Citizens' perceptions are forged by what they see, hear and read in the media. In times of uncertainty, the rapid evolution of media technology, and the abundance of (dis)information and fake news, people should have and feel the need for access to clear, accurate and reliable information.

Media habits

According to the recent Eurobarometer (2022) survey, 75% of respondents claimed that television is one of their most used forms of media to access news, followed by online news platforms (43%) and radio (39%)—see Figure 2. Social media platforms and blogs were mentioned by fewer participants (26%), while 21% of respondents indicated that they use the written press to stay informed.

Unsurprisingly, there were socio-demographic and cross-country variations. For instance, older respondents seem to rely more on traditional media such as television and the printed press. For their part, younger participants are more likely to use social media

platforms and blogs (46% of 15–24 year-olds, compared to 15% of 55+ year-olds), or YouTube and other video platforms (34% compared to 8%). Moreover, while TV appears to be the most commonly used media source in most EU member states, with varying rates of popularity compared to online news platforms, Greece, Malta and Finland seemed to deviate from this rule (see Table 1).

A closer look reveals that the existing variations cannot be grouped according to member states' geographical locations (on north–south or east–west axes) or their type of media system² (Hallin and Mancini 2004). In terms of the latter, there is no clear pattern for those countries that have a polarised pluralist media model (France, Greece, Italy, Portugal, Spain), a democratic corporatist media model (Austria, Belgium, Denmark, Finland, Germany, Netherlands and Sweden) or a liberal media model (Ireland).

Similar trends can be observed in a longitudinal study by the Reuters Institute (Figure 3). More concretely, although TV consumption of news media in the EU has declined by almost 25% since 2015,³ it remains the most prominent source of news. While social media are gaining more and more ground vis-à-vis traditional media in terms of news consumption, their growth seems to have stabilised since 2016. In this regard, social media do not seem to be capitalising on the decline of TV. As far as online news platforms are concerned, they have edged ahead of print media. Print readership, at 19.4%, has more than halved since 2015. However, the radical transformation in media consumption mentioned by some academics and pundits is yet to come (see, e.g. Langner and Klinke 2022, 143; Napoli 2011, 54).

Trust in the media

When it comes to trust in the news media, citizens expressed more confidence in traditional broadcast and print media, including their online presence, than in online news platforms and social media channels (e.g. Instagram and YouTube). Concretely, 49% of respondents in the EU claimed that publicly owned TV and radio stations, including their online versions, constitute trusted news sources, which was followed by the written press, selected by 39%. In the meantime, privately owned TV and radio stations were mentioned by 27% of participants as trusted media sources. Again, younger respondents expressed their preference for online news platforms and social media channels, considering them more trusted sources than mainstream broadcast and print media (see Figure 4).

Levels of trust also differed notably across the EU. For instance, in Finland, 73% of respondents expressed their trust in public TV and radio stations, while a very low level of trust in the public Hungarian and Polish media outlets (22% and 23% respectively) could be observed (see Table 2). Except in Poland, the level of trust in publicly owned audiovisual media services is higher than in privately owned ones across the EU member states. In fact, in some cases, namely in the Nordic countries and in some member states in Central and Eastern Europe, this lead is robust. In contrast, the rates seem to converge in the South, where countries are more often classified by Hallin and Mancini (2004) as

Table I. Most popular news sources by age in the EU27 (%).

	TV	Online news platforms	Radio	Social media platforms and blogs	Print press	YouTube or other video platforms	Messaging apps	Podcasts	No access to news in the last 7 days	Don't know
EU27	75	43	39	26	21	15	10	5	7	4
Belgium	70	37	48	22	23	11	6	3	7	5
Bulgaria	86	60	34	47	13	26	9	6	5	1
Czechia	78	38	36	35	14	12	6	6	10	6
Denmark	72	53	32	18	17	8	4	6	7	6
Germany	73	38	47	16	26	15	13	6	7	4
Estonia	66	54	35	30	17	16	3	4	4	2
Ireland	62	48	44	47	19	19	8	8	3	1
Greece	60	63	24	46	13	25	6	3	3	2
Spain	76	35	36	31	20	10	4	5	10	3
France	78	29	45	19	22	15	7	4	10	5
Croatia	75	48	30	42	16	17	6	4	3	2
Italy	82	49	35	25	27	15	10	5	6	3
Cyprus	63	59	25	57	9	24	8	6	3	3
Latvia	51	45	28	41	9	28	13	4	6	2
Lithuania	70	54	28	44	9	23	5	8	3	3
Luxembourg	61	53	60	28	30	15	11	3	3	1
Hungary	58	57	28	43	9	21	6	5	9	3
Malta	52	65	22	55	11	12	11	3	2	2
Netherlands	72	37	33	23	23	8	12	3	9	5
Austria	68	40	45	21	34	15	14	4	6	3
Poland	72	57	43	33	13	21	24	5	5	3
Portugal	84	50	33	28	14	10	5	3	4	3
Romania	80	53	37	29	15	24	6	9	5	2
Slovenia	76	44	36	36	18	13	5	2	5	3
Slovakia	73	37	44	25	13	20	6	10	10	6
Finland	67	67	33	28	25	13	9	4	4	2
Sweden	65	60	35	25	23	13	4	6	5	3

Source: Data from Eurobarometer (2022).

Note: The respondents answered the question, 'Among the following, what media have you used the most to access news in the past seven days?'

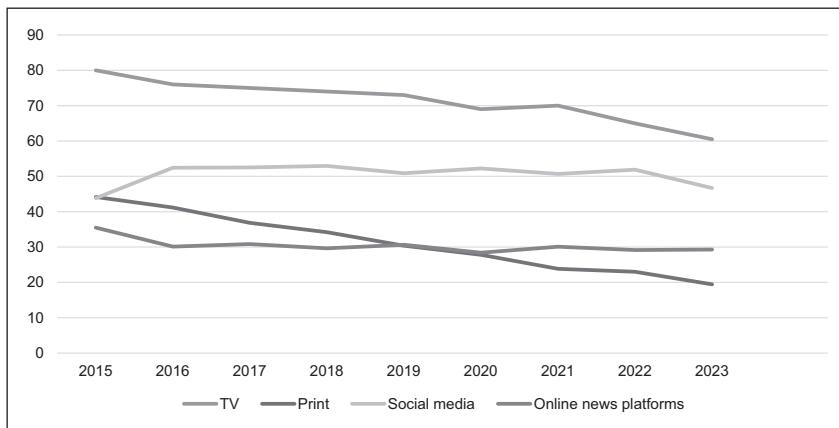


Figure 3. Sources of news in the EU (%).

Source: Data from Newman et al. (2023).

Note: Data were not available for Cyprus, Estonia, Lithuania, Luxembourg, Latvia, Malta and Slovenia.

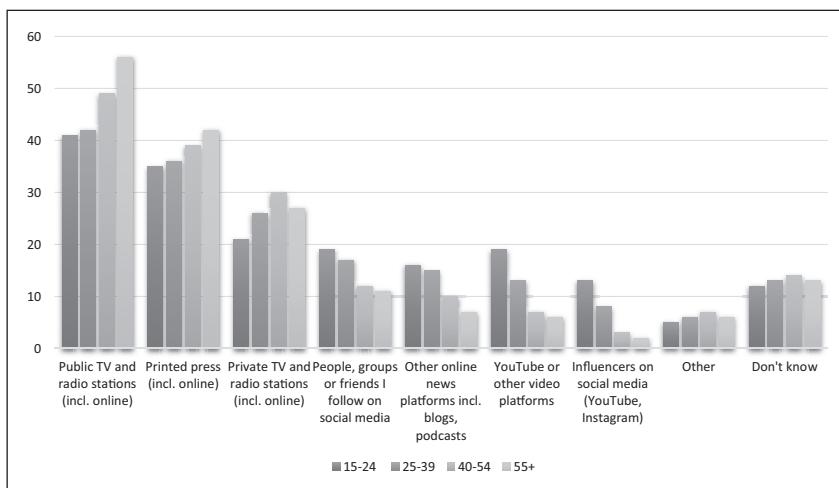


Figure 4. Trust in news source, by age (%).

Source: Eurobarometer (2022).

Note: Respondents were asked, 'Which news sources do you trust the most?'

having polarised pluralist media systems. A similar trend could be observed in Romania, while Poland was the only country where trust in private audiovisual media outweighed trust in publicly owned sources.

Another interesting aspect was that in certain countries, including Bulgaria, Latvia, Lithuania, Hungary and Poland, respondents expressed more confidence in those people they followed on social media than in privately owned TV and radio or print press.

Table 2. Most-trusted news sources, by country (%)

	Public TV and radio stations (incl. online)	Print press (incl. online)	Private TV and radio stations (incl. online)	People, groups or friends I follow on social media	Other online news platforms incl. blogs, podcasts	YouTube or other video platforms	Influencers on social media (YouTube, Instagram)	Other	Don't know
EU27	49	39	27	14	11	10	5	6	13
Belgium	56	51	19	10	8	7	4	4	15
Bulgaria	44	18	21	25	23	19	7	6	11
Czechia	50	22	18	21	13	8	6	6	15
Denmark	66	46	11	9	5	4	3	4	14
Germany	62	42	20	9	7	8	3	7	12
Estonia	67	49	17	16	10	8	3	4	9
Ireland	59	45	17	18	15	9	6	5	8
Greece	34	31	23	23	29	18	6	8	5
Spain	45	44	36	13	11	7	5	6	14
France	49	46	29	10	7	9	5	7	14
Croatia	39	26	23	19	14	12	5	8	15
Italy	45	40	25	12	14	10	6	7	12
Cyprus	45	34	36	22	21	16	5	2	9
Latvia	51	21	15	20	12	19	12	6	12
Lithuania	56	28	16	21	16	18	8	6	10
Luxembourg	66	63	24	8	6	5	3	5	10
Hungary	22	21	16	25	22	15	8	10	17
Malta	45	40	29	12	25	7	4	4	9
Netherlands	57	54	27	10	8	5	3	4	13
Austria	56	45	22	10	6	7	3	8	11
Poland	23	18	43	26	11	16	7	6	15
Portugal	67	50	49	10	7	6	4	3	9
Romania	43	23	33	18	18	13	6	6	14
Slovenia	43	25	20	21	15	11	6	8	15
Slovakia	41	21	20	20	16	12	6	10	16
Finnland	73	58	15	9	4	4	5	5	6
Sweden	66	52	10	10	8	6	3	5	11

Source: Eurobarometer (2022).

Note: Respondents were asked, 'Which news sources do you trust the most?'

Conclusion

First, this analysis aimed to explore the extent to which traditional media, namely TV, radio and the printed press, are still preferred as a primary source of information within the EU compared with new media. The results of a Eurobarometer survey and a Reuters Institute study support the assumption that traditional media are still more popular than new media in terms of news consumption. Irrespective of geographical variables (north versus south, east versus west) or EU member states' types of media systems (Hallin and Mancini 2004), television constituted one of the media forms most used to access news, followed by online news platforms and radio. The potential dynamism of social media as sources of news information, established during the early years of their life, seems to have stabilised or even declined. Yet there are some intergenerational differences, as younger people are more likely to use social media platforms, blogs, YouTube or other video platforms than audiovisual or print media to access news.

Second, the article looked at the levels of trust in different news sources across the EU member states. The results of the Eurobarometer survey showed that most respondents in the EU expressed more confidence in traditional broadcast and print media than in online news platforms and social media channels. Thus the argument that traditional media are preferred as a primary source as they are generally perceived as more truthful than new media is confirmed (Johnson and Kaye 2015, 544). Furthermore, recent research has shown that social media constitute a more fertile area for the spreading of disinformation than traditional news channels (Benaissa Pedriza 2021, 605). However, according to the Eurobarometer (2022) survey, a majority of the respondents felt confident that they could distinguish between real news and fake news or disinformation. This confidence in identifying fake news seemed to increase with level of education and decrease with age.

Although this article is a one-off and focuses on just two surveys, it hopes to make a relevant contribution to the literature on media studies through its reference to some in-depth empirical data and analysis. To capture a more comprehensive picture, further research should address if and to what extent traditional media are still more popular and more trusted than new media in terms of news consumption in a longitudinal way. Furthermore, the interpretation of each member state's data could serve as a separate case study. In an effort to supplement these results, interviews with journalists and other media professionals could form part of a future study. Other aspects of concern could be also examined, including the rising social inequalities in news consumption that have been mentioned elsewhere (Kalogeropoulos and Nielsen 2017, 3).

Over the years, the media have held a pivotal role in (supra-)national public spheres, having been identified as 'the fourth branch of government' (Habermas 1996, 376). Their activities vary from disseminating information/knowledge and constructing ideologies and representations to exerting control over national governments. However, there has been a recent decline in interest in the news, with more and more people seeming to avoid it (Newman et al. 2023). It remains to be seen whether, in the future, mainstream

broadcast and print media continue to rank higher than online news platforms and social media channels in terms of news consumption and trust.

Notes

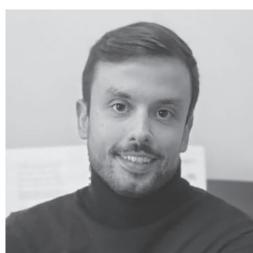
1. The views set out in this article are those of the author and do not necessarily reflect the official opinion of the EU. Neither the EU institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained herein.
2. Hallin and Mancini classify countries' media-politics systems as liberal, democratic corporatist or polarised pluralist. A country's classification depends on the structure of its media markets, the media's political parallelism, the professionalisation of journalism, the role of the state and so on. Concretely, the liberal system is autonomous and market dominated. It is characterised by, among other things, medium newspaper circulation, information-oriented journalism, a neutral commercial press, a professional model of broadcast governance, non-institutionalised self-regulation and a high level of professionalisation. The democratic corporatist system is highly professionalised and is institutionally self-regulated. Its features include high newspaper circulation, a well-established party press and a politics-in-broadcasting system with substantial autonomy. Within this system one can identify strong state intervention with subsidies and well-developed public service broadcasting. At the same time, press freedom is protected. Finally, the polarised pluralist system is typified by, *inter alia*, low newspaper circulation, a high level of political parallelism, commentary-oriented journalism, a lower degree of professionalisation, politics-over-broadcasting systems and strong state intervention. For further information, see Hallin and Mancini (2004).
3. The study did not include data from Cyprus, Estonia, Lithuania, Luxembourg, Latvia, Malta or Slovenia.

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Terrorism: The present, the future and the unpredictability of the threat

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Abstract

The terrorist threat in 2023 has been characterised by new levels of unpredictability. This is due to two main factors that have unfolded only recently with unparalleled intensity. The first is the bipolarity of the threat. On the one hand, structured and semi-structured radical groups are operating in complex scenarios, such as the Russian war of aggression against Ukraine. On the other, in the West we have been witnessing a recrudescence of lone-actor attacks that, although characterised by low lethality, represent a cause for concern. There is a risk that this dichotomy could catch experts off guard. The second factor that makes the threat particularly unpredictable is the ideological fluidity that is pervading contemporary radical milieux and radicalisation trends: individuals with diverse ideological backgrounds borrow tropes, narratives and communication strategies from other ideologies and adapt them to match their worldviews through processes of reciprocal influencing and cross-pollination.

This article aims to analyse the bipolarity between the focus on international crises amid a rise in lone-actor attacks and the ideological fluidity of radical environments to assess how these two factors have generated unprecedented levels of unpredictability when it comes to terrorism and radicalisation.

Keywords

Terrorism, Radicalisation, Jihad, Far-right, Ideology, Akh-right, Hate-speech

Introduction

The primary purpose of terrorism is to instil fear, and, for this reason, its manifestations are obviously hardly predictable. When it comes to contemporary terrorism trends, however, we are witnessing unprecedented levels of uncertainty. Ideological patchworking

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and mixing, and reciprocal influencing, along with major conflicts in different regions and a recrudescence of lone-actor attacks are all features that suggest that the nature of today's threat pivots around chaos and unpredictability (Brzuszkiewicz 2023c).

Two main factors contribute to making contemporary terrorism and radicalisation dynamics particularly unpredictable. The first is the bipolarity of the threat. The world's attention is—understandably—focused on the Russian war of aggression in Ukraine, which started in 2022 and, at the time of writing, has caused more than 8,700 civilian deaths (Office of the UN High Commissioner for Human Rights 2023).

More recently, in April 2023, clashes erupted in Sudan amid a power struggle between the two main factions of the military regime, the Sudanese armed forces of General Abdel Fattah al-Burhan—the country's de facto ruler—and the Rapid Support Forces, loyal to the former warlord General Mohamed Hamdan Dagalo, known as Hemedti. The Sudanese conflict is taking place within a broader framework of instability in the Sahel region, characterised by the increasing lethality of local and transnational jihadism. Within sub-Saharan Africa, the Sahel has become the centre of gravity for jihadist terrorism, accounting for more terrorism-related deaths in 2022 than both South Asia and the Middle East and North Africa combined (Clarke and Zenn 2023).

These two major crises, and especially the war in Ukraine, have captured the attention of experts, policymakers and commentators. Even in the realm of terrorism studies, it is argued that their consequences should not be underestimated. In fact, when it comes to terrorism and radicalisation studies, the current conflicts have two major consequences, which only appear to be contradictory. On the one hand, the wars have taken away a great deal of attention from the terrorist threat in Western countries. On the other, however, the conflicts themselves must be regarded as new breeding grounds for further radicalisation, as radicals all over the world are gathering around polarised, extreme and uncompromising positions and fitting the wars into their specific narratives.

As far as the war in Ukraine is concerned, the role of right-wing extremist fighters and foreign fighters in this conflict remains controversial. There are reports of individual fighters from a number of European countries having joined the volunteer battalions in Ukraine. They join groups with no official military status, which makes it difficult to assess the situation, since the only information available on these groups is what they themselves publish and propagate via social media (Wichmann 2023). Russian separatists, however, are also said to have foreign volunteers in their ranks. Often without any form of prior military training, and coming from a radical or radicalising background, these foreign fighters constitute a risk in many respects.

When it comes to Sudan, the danger to European stability is less direct but similarly concerning. The jihadist action in the Sahel has already spilt over into West Africa, and there is no reason to believe that Sudan is safe from new terror waves in the near future.

At the same time, in the first half of the year several European countries witnessed a number of lone-actor attacks. These attacks were usually poorly planned and low in lethality. Nevertheless, this spike in ideologically motivated violence—usually perpetrated in the form of stabbings—confirms the marked unpredictability of the threat and the need to strike the right balance between a focus on international crises and the monitoring of radicalisation processes in Europe.

Aside from the bipolarity of international conflicts versus domestic threats, the second factor that makes the terrorist threat particularly unpredictable is the ideological fluidity that pervades contemporary radical milieux and radicalisation trends. Individuals with diverse ideological backgrounds seize tropes, narratives, and communication and propaganda strategies from other ideologies and adapt them to match their worldviews through constant processes of reciprocal influencing and cross-pollination. This makes identification of the threat particularly difficult. Online users belonging to the extreme-right constellation openly praise the Taliban or jihadists for their victories and, in turn, radical young Islamists exploit far-right framing and messaging, thus becoming new echo-chambers in environments that are too often—mistakenly—perceived to be at opposite ends of the radical spectrum.

The first section of the present article analyses the current tension between international crises, with their consequences for terrorism and radicalisation, and domestic threats. This tension represents the first factor generating the unprecedented unpredictability in today's terrorism scenarios. The second section of the work scrutinises the other major cause of this unpredictability, that is, the ideological hodgepodge, fluidity and cross-fertilisation that characterises contemporary radical milieux.

The bipolarity between international crises and domestic threats

Since the outbreak of the conflict in Ukraine, the eyes of the EU have been understandably focused on this crisis. Far-right movements and supporters express views ranging from open hostility to Russia and President Vladimir Putin to complete mistrust of NATO and the West. This makes it possible to find these groups on both sides of the battlefield (Brzuszkiewicz 2022).

In Ukraine, right-wing extremist and nationalist forces, as well as various groups linked to hooliganism and the Azov Movement, tend to flow into volunteer battalions and platoons.

Similarly, Russia has right-wing extremist forces fighting on the side of the separatists in eastern Ukraine. These aggregations are often—albeit not exclusively—related to the galaxy of the Wagner Group, also known as PMC Wagner, where PMC stands for private military company. PMC Wagner is the most powerful Russian paramilitary organisation, often described as a network of mercenaries. It receives equipment and training from the

Russian Ministry of Defence, and several components of Wagner have been linked to neo-Nazism and far-right extremism (Faulkner 2022, 28–37).

Given its murky paramilitary status, it is not hazardous to say that the Wagner Group represents the first resource used by Russia to allow for plausible deniability in certain conflicts (Reynolds 2019). Its involvement in operations in Africa, for instance, is now notorious. Wagner has cultivated exploitative relationships with multiple African governments, trading military and security services for mining concessions and political access. Yet, the group does not seem to be interested in any form of capacity building—on the contrary, it capitalises on and profits from insecurity (Faulkner 2022, 28). At the time of writing, Britain is set to classify PMC Wagner as a terrorist organisation, and the French Parliament has adopted a resolution calling on the EU to formally label it a terror group.

Along with the threat embodied by semi-structured and structured radical groups, there are also reports of the participation of individual fighters from other European countries in this war, including from France, Germany, Poland, Ireland, Spain, Italy and Sweden (Wichmann 2023).

These factors show how conflicts represent ideal breeding grounds for radicalisation. The potential consequences of the presence and actions of this diverse array of fighters will take time to be systematically assessed.

However, if international conflicts and contemporary wars are obviously a priority for policymakers and analysts, the same cannot be said for terrorism attacks within European borders. After the fall of the Islamic State (IS) as an entity capable of territorial control in 2019, and in the couple of years prior to that, when it was struggling to survive, attacks in Europe declined both quantitatively and qualitatively, thus leading experts and the general public to believe that jihadi terrorism belonged in the recent past. In the last few months, however, a number of European countries have witnessed knife attacks that can be considered terrorism offences.

Between 31 December 2022 and 25 January 2023, five attacks occurred in Europe, with similarly alarming characteristics (Brzuszkiewicz 2023c). In just one day—on 25 January—two knife attacks took place. In Germany, a knife-wielding man of Palestinian origin fatally stabbed two people and injured seven others on a train, before being grabbed by passengers and arrested by police. The attack occurred shortly before the regional train, travelling from Kiel to Hamburg, arrived at Brokstedt station. Ibrahim K., the perpetrator, had arrived in Germany as a refugee from the Gaza Strip in 2014, committing his first criminal offence shortly after his arrival. There is evidence of drug use and mental health issues in his background (*Deutsche Welle* 2023).

If the German authorities were cautious when considering the terrorism hypothesis, the case in Spain seems to have been clearer. A man attacked several people with a

machete at two churches in the southern port city of Algeciras, killing at least one person. He attacked the clergymen at the two churches—San Isidro and Nuestra Senora de La Palma—and the incident was investigated as terrorism. Although police have not released details of the attacker's name or nationality, local media have reported that he was a 25-year-old Moroccan man.

Since the end of 2017, the number of terrorist actions in Europe has dropped considerably and the more recent attacks have caused fewer deaths, due to the use of bladed weapons usually wielded by a single perpetrator. However, the threat still exists. For instance, in 2022 Spanish security forces carried out 27 anti-terror operations targeting jihadist cells, and arrested 46 people across the country. In April 2023, Belgian police arrested seven people suspected of supporting IS and plotting a terrorist attack. Almost all of the suspects are ethnic Chechens, and three are Belgian nationals (*The Guardian* 2023). In the same month, a Syrian man was arrested in Germany over a suspected jihadist bomb plot. The investigation focused on the 28-year-old suspect and his 24-year-old brother. Motivated by radical-Islamist and jihadist convictions, the two were suspected of planning an attack on a civilian target with a self-made explosive (*The Times of Israel* 2023).

These are just a few examples of what could be regarded as the democratisation of the terror threat. An individual with an Internet connection, a smartphone and access to weapons, either knives or 'ghost guns'—unserialised and untraceable firearms that can be bought online and assembled at home—can now take action. This trend is not new, however, and echoes the words of former IS spokesman Abu Mohammad al-Adnany: 'If you are not able to find an [improvised explosive device] or a bullet, then single out the disbelieving American, Frenchman, or any of their allies. Smash his head with a rock, or slaughter him with a knife, or run him over with your car, or throw him down from a high place, or choke him, or poison him' (Brzuszkiewicz 2023b). Today the democratisation of the threat is likely to intensify thanks to the simplification of the terrorist modus operandi, reciprocal influencing between different ideologies, and the chaotic doctrinal hodgepodge that is becoming more and more common in the various radical environments.

The dynamics of terrorism and radicalisation are evolving, and the fact that this evolution is taking place during a time of high international instability—which is now the undisputed focus of attention—risks further jeopardising the effort to rethink terrorism and counterterrorism. The latest attacks in Europe seem to be numerically minimal, but they should be interpreted as a warning sign, revealing the new challenges that await us in the near future. This is especially the case when they result from the ideological fluidity of contemporary radicalisation, which represents the second reason why today's threat is strikingly unpredictable.

The ideological fluidity of the contemporary radical milieux

In the last few years, attacks have often been characterised as being motivated by ideological crossovers and a chaotic mishmash of radical influences. FBI Director Christopher

Wray has said that the recent terrorist events perpetrated by so-called lone actors can be ascribed to a ‘weird hodgepodge’ of ideas that have replaced the consistent, deep loyalty to doctrinal principles and worldviews (Johnson 2022). This trend is particularly apparent when it comes to attacks carried out by groups active in the US, but there is no reason to believe that Europe is immune to it.

Last year in Minneapolis, a member of the Boogaloo Bois was sentenced to prison for conspiring to provide material support to Hamas, a designated foreign terrorist organisation in the US (US Department of Justice 2022). The boogaloo movement, whose members are usually referred to as ‘boogaloo boys’ or ‘boogaloo bois’, is an anti-government extremist movement born in the US in 2019. Its supporters aim to achieve a second American Civil War or second American Revolution, known as ‘the boogaloo’ or ‘the boog’.

Such ideological cross-pollination is often reflected in radical discourse, narratives and tropes, and it is not by chance that the defendant was member of a sub-group called the ‘Boojahideen’ (Brzuszkiewicz 2023c), a play on the words *boogaloo* and *mujahidin*. This reciprocal influencing also works in the opposite direction, that is, from white supremacist and alt-right ideologies to jihadism: the al-Qaeda in the Arabian Peninsula Inspire ‘Praise & Guide’ series, for instance, reviewed attacks such as the 2021 Boulder supermarket mass shooting to assess what had been done well by the attacker and what could have been done better to increase the action’s lethality and impact. Online, far-right radicals distribute IS videos because they value the tactical advice and the jihadists’ passion and ruthlessness, while jihadists laud the lone-wolf nature and execution of school shooters (Brzuszkiewicz 2023c).

These cross-fertilisation processes are increasingly dynamic and might broaden the scope of the copycat mechanism. Indeed, not only does such imitation require zero interaction between the perpetrators and potential attackers, but it also no longer needs them to fully share the same ideology.

In this respect, a particularly interesting phenomenon is the so-called *akh-right*. A play on the Arabic word for ‘brother’ and the diverse phenomenon of the alt-right, the term describes contemporary online communities and individuals who appropriate features, tropes and often ideological content traditionally belonging to the alt-right and use it to support and disseminate values and opinions that range from reactionary and conservative to radical jihadist. A big part of the *akh-right* is interested in hate speech practices; its members do not normally post explicitly violent content. However, in a minority of cases the violent stance is much more apparent and includes open support for radical movements (Brzuszkiewicz 2023d). The common ground between the alt-right and young disenfranchised Islamists and Islamist sympathisers who contribute to creating the *akh-right* milieu pivots around hate for political correctness and mainstream values, mockery of the alleged feminisation of the West and Western men, and placing continuous blame on feminism.

These features reveal the proximity of akh-right tropes to another evolving online eco-system, the so-called manosphere—a diverse array of websites, blogs and online communities gathering to express varying degrees of misogynistic views.

Conclusions

When it comes to the radical threat, the first half of 2023 has been characterised by unprecedented unpredictability. Today the threat risks catching decision-makers and experts off guard because of its bipolarity. Indeed, attention has inevitably been focused on crises such as the war in Ukraine and—to a lesser extent—the instability in the Sahel and the clashes in Sudan.

Back in Europe, however, we have been witnessing a recrudescence of lone-actor attacks that, although characterised by low lethality, should not be ignored or underestimated. In addition to this, a second factor making the terrorist threat particularly unpredictable is the ideological fluidity of contemporary radical milieux, especially online. Individuals with diverse ideological backgrounds borrow tropes, narratives and communication strategies from other ideologies and adapt them to match their worldviews, with the result that doctrinal consistency is no longer a priority.

This makes identification of the threat particularly challenging. However, it is not impossible. Because lethal attacks have decreased in number and ideological cross-pollination has been contained, Europe enjoys certain advantages over the US. These should allow us to act rapidly, reviewing our notions of radicalisation and radicalism, and designing strategies to monitor the complex trends of reciprocal influencing, inspiration and cross-pollination between different ideologies.

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The reach of the trade in Captagon beyond the Middle East

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Abstract

Over the last five years, illicit trade in the amphetamine-type stimulant Captagon has expanded considerably, both in size and scope, posing new challenges to the rule of law, public health and even security dynamics. With its production hub anchored heavily in regime-held areas of Syria—with sponsorship from Syria's Fourth Division and partnered Iran-aligned militias—the Captagon trade has been used as both an alternative revenue source for the cash-strapped and sanctioned Syrian regime and a tool for influence on the diplomatic stage. The Syrian regime has leveraged its agency over the trade, violent cross-border smuggling clashes and plausible deniability with affiliated actors to achieve its aims of the normalisation of relations with it regionally and the granting of concessions.

However, these normalisation efforts have come under pressure as demands from regional neighbours to reduce the flow of Captagon and interdiction capacity have increased. Incentivised to retain their profits from Captagon, producers and traffickers aligned with the Syrian regime's security apparatus have begun to identify new routes and markets outside its primary destinations in the Arab Gulf. As a result, criminal networks have carved out new transit routes across Iraq and Turkey and through African ports, and have even established nodes in southern and mainland Europe—all with the potential for pills to trickle into local consumer markets over time. With the Captagon challenge no longer confined to the Middle East, European countries and their partners are quickly beginning to focus on key aspects of the trade, implementing policies that address supply, demand and accountability for implicated actors.

Keywords

Captagon, Illicit economies, Amphetamine-type stimulant, Islamic State for Iraq and Syria, Assad regime, Narco-state

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Diverging from EU policy

On 1 July 2020, Italian customs authorities at Naples' Port of Salerno seized a peculiar containerised shipment from Syria's Port of Latakia. The shipment of industrial cardboard cylinders contained over one million pills of the amphetamine-type stimulant called 'Captagon'. The pills were marked with two interlocking 'C's that mimic crescent moons—a key feature of the drug. At the time, this was the largest haul of amphetamines in history, breaking world records (Davies 2020).

Initially, Italian authorities blamed the Islamic State of Iraq and Syria (ISIS) for the drug shipment (BBC 2020). Up until that point, multiple media and analytical reports had pointed to ISIS as the exclusive actor behind the trade in Captagon, claiming that the drug had fuelled a string of terrorist incidents, including the 2015 attack in Paris, and had filled ISIS's coffers for wartime activities (Clarke 2017). However, the link between ISIS and large-scale Captagon manufacturing and trafficking was weak; with lost territories since 2017 and dwindling capacity, the terrorist organisation lacked the resources, transportation networks and access to ports that the shipment dispatched to Italy's Port of Salerno would have required. Soon after the Salerno discovery, a wave of investigators, analysts and journalists identified links to an actor very different from ISIS: the Syrian state (Fox 2021).

With no access to the Port of Latakia—a port owned by the Syrian state and jointly managed by Syrian investment company Souria Holding and French shipping firm CMA CGM—ISIS would have been unable to reach, let alone use, the Mediterranean port to dispatch such a massive shipment of drugs (Ahronheim 2019). Additionally, the size of the shipment indicated a new trend in the trade: industrial-sized production. Non-state actors operating in Syria would not have been able to achieve this as the Syrian state had access to and control over industrial pharmaceutical production facilities and manufacturing tools (Ashour et al. 2019). Finally, through identification of the packaging of the Salerno shipment by a *Der Spiegel* investigation, it was found that members of Syria's security apparatus and prominent, regime-aligned members of Syria's agricultural and industrial sectors had played roles in providing packaging materials, transportation and commercial vessels. They had also supplied the connections to the illicit actors in Italy who would receive the shipment of Captagon—these being the mafia group, the Camorra (Reuter 2021).

The Port of Salerno seizure was not the first seizure of Captagon in Europe, but its massive size and clear links to the Syrian regime and European criminal networks rang alarm bells in Brussels. The Syrian regime's adoption of this illicit trade ran the risk of undermining the effects of the EU, US and UK sanctions imposed on the key officials implicated in mass atrocities and war crimes—the trade has provided an estimated income of more than \$7 billion in the last three years (Shaar et al. 2023, 25). Alongside this financial aspect, it has also strengthened the regime's political and geopolitical standing. The regime's control over the Captagon trade has enabled its forces to push into contested areas such as Daaraa and Suwayda through the establishment of Hezbollah- and Fourth

Division-controlled production sites and the recruitment of community members into regime-aligned smuggling rings and manufacturing laboratories (Albulhusn and Shahhoud 2023). The ability to increase trafficking flows and provoke violent clashes with neighbouring countries has also given the Syrian regime a way to pressure its regional counterparts into the normalisation of relations with the state. This tactic proved successful when the Arab League extended an unconditional invitation for Syrian re-entry. Furthermore, regional states such as Jordan, Saudi Arabia, Iraq and the United Arab Emirates have also pursued bilateral discussions about the normalisation of relations, with counter-Captagon coordination at the top of their agendas (Rasool 2023).

The financial, political and geopolitical empowerment of the Syrian regime through the trade in Captagon does not align with EU interests, sanctions or regional strategy. Seeking to incentivise a shift in behaviour away from the politicisation of aid, use of torture and abuse of human rights, mass killings, and collaboration with adversaries, Russia and Iran, the EU and its partners have sought to keep pressure on the Syrian regime and to isolate its members from the regional fold (Borrell 2023). The Captagon trade has offered a financial loophole for Damascus and an avenue through which to bypass this Western strategy.

Spillover from the Middle East into Europe

Since the early 2000s, Captagon's primary destination market has been the Arab Gulf, with the Kingdom of Saudi Arabia being the biggest hub of demand. Captagon's mass appeal has made the drug popular, despite long-term health concerns. The drug enables users facing food insecurity to stave off hunger, those working long shifts or studying for exams to stay up late at night, those seeking recreation to experience feelings of euphoria and those experiencing depression to suppress trauma (Rose and Soderholm 2022, 21). Captagon originated in Europe on the licit market in the 1960s, and was only scheduled in the mid-1980s, with the purpose of improving productivity in those suffering from attention-deficit disorders. It is a drug that is consumed orally, as a tablet, allowing the user to avoid the risks of injections and smoking. According to the UN Office on Drugs and Crime, these factors of oral consumption and the supposed boost in productivity make amphetamine-type stimulants such as Captagon attractive. They are perceived as 'less harmful' and the stigma associated with their consumption amongst users in the Gulf, where there is a more conservative approach to drug usage, is reportedly reduced (UNODC 2011, 10).

The market for consumption has expanded in geographic scope as agents of the Captagon trade have responded to trade constraints by identifying new routes and networks. Since September 2021, after the reopening of the Jaber–Nassib border crossing, Jordan has been used as a major transit route to reach Saudi Arabia's market (Oweis 2022). Jordan has experienced a major uptick in overland smuggling along its border with Syria, and Saudi Arabia has also recorded an upswing in seizures of Captagon and other narcotics, both at the port of Al-Haditha and at nodes along its border with Jordan

(Lucente 2022). Captagon smugglers have also extended their network into Iraq, using the Iran-aligned militias that control and tax important chokepoints on the Syrian–Iraqi border and along the Al-Qaim highway to facilitate shipments across the country, through Kuwait and into Saudi Arabia (Haid 2022). Several seizures along the Iraqi border with Syria have been recorded, as well as raids on storage units further into the country, which indicate the growing presence of illicit Captagon syndicates there (*Arab News* 2022).

Captagon smugglers are not only identifying new routes to reach existing destination markets such as Saudi Arabia, but are carving out new transit routes to outsmart customs and establish new pockets of demand outside the region. As regional customs units have begun to track patterns of Captagon trafficking and adopt new technologies to improve interdiction rates, smugglers have responded in kind, using new methods, ports of entry, shell companies and tactics to successfully bypass detection. In a shift from relying on maritime shipments throughout the Mediterranean and the Red Sea to transport containerised shipments of Captagon to Gulf ports, smugglers are starting to utilise overland smuggling—with Turkey as a route of renewed interest (Albin 2023). In 2023 there has been an upswing in the number of Turkish seizures of Captagon smuggled across overland routes from Syria. The Turkish authorities have reported chases with vehicles carrying Captagon across the border with Syria, have raided storage facilities and have broken up major networks operating in the country (Rose 2023). Importantly, the Turkish authorities have additionally identified several Captagon seizures destined not for demand hubs in the Arab Gulf, but for ‘European countries’—a notable divergence from previous seizures (Kaynağı 2023).

Southern European ports along the Mediterranean are familiar with the patterns of Captagon trafficking and smuggling. Since 2018, ports and islands in Greece, Romania and Italy have seized Captagon shipments dispatched from Lebanese or Syrian ports that had been smuggled onto commercial vessels with the help of shell companies and business magnates closely aligned with the Syrian regime and Hezbollah (Alhajj 2022). Initially, traffickers were not sending Captagon shipments to European ports because they were markets for consumption, but rather because they acted as important re-transit sites to dispatch shipments back to the Arab Gulf, where there is steady demand for Captagon. European ports were initially targeted due to their geographic proximity and local customs’ lack of familiarity with the trade (*Shipping and Freight Resource* 2023). Smugglers would route Captagon shipments to southern European ports before directing them to destination markets in the Arab Gulf, as the containerised shipments would receive an EU customs stamp that, the traffickers believed, would lower suspicion amongst the Gulf port authorities and therefore lower the risk of inspection. However, European and Gulf port authorities have become familiar with the patterns and signs of shipments containing Captagon, and have learnt to flag suspicious shipments, creating new constraints for traffickers to overcome.

The resulting tactic amongst Captagon smugglers has been to shift away from sending containerised commercial shipments through the Mediterranean Sea into Europe, instead

routing smaller shipments along overland routes through Turkey and into mainland Europe. Additionally, there has been an uptick in criminal networks' use of storage facilities, shell companies and businesses in Europe—including in places much further north than the Mediterranean coast—to smuggle Captagon back into Gulf destination markets. In Austria, authorities dismantled a years-old Lebanese and Syrian network that was smuggling Captagon to the Middle East out of a pizzeria in Salzburg, using washing and dryer machines to hide the pills (Widmayer 2022). In Germany's Bavaria, a Syrian network was arrested for using a large warehouse facility to both store Captagon pills sent from the Levant and dispatch them back to the Gulf (Al Wasl 2022). This past July, German authorities additionally identified a Captagon laboratory in Regensburg, signalling that networks are beginning to test the production of Captagon in Europe (*South China Morning Post* 2023). Captagon criminal networks have additionally coordinated with local European organised crime networks to receive and store pills: as noted above, in the July 2020 Port of Salerno shipment, an Italian mafia group, the Camorra, was listed as the recipient of the shipment (Tondo 2020). It is unclear how long the Camorra intended to keep the Captagon pills for or whether the shipment was destined for local consumption or for larger markets in the Gulf, but the Syrian actors' coordination with a formidable Italian organised crime group demonstrates their sophistication and risk-accepting behaviour, aspects which challenge the rule of law, in both the Middle East and its near abroad.

While there is no significant evidence of major Captagon consumption in Europe, the more that Captagon trafficking networks embed themselves in mainland Europe—using storage facilities and collaborating with European criminal networks—the more likely it becomes that Captagon tablets will trickle down into local markets, creating new pockets of demand. While Captagon's amphetamine-type qualities may not make it the most competitive substance on Europe's illicit markets, its broad appeal across demographics and its spectrum of effects mean that authorities and experts should not rule out the possibility of Captagon exacerbating the existing challenges caused by illicit synthetic substances in Europe.

An emerging EU strategy

As the Captagon trade has created new challenges for regional and extra-regional rule of law, security, political stability and public health, the EU has begun to monitor its expansion with concern. The EU, along with its partners, the US and the UK, has started to perceive the Captagon trade no longer as a formidable illicit economy, but as a geopolitical challenge to its interests in the Middle East and at home.

The utilisation of the Captagon trade to create alternative revenue—estimated at \$2.7 billion a year—for the Syrian regime and its partners, Hezbollah and Iran-aligned militias, undermines the interests of the EU and its partners in Syria and the region at large (Shaar et al. 2023, 25). The trade empowers malign security groups operating under the umbrella of the Fourth Division and Iran-backed militias, providing finance to sustain

military and political operations, as well as a justification to push into contested territories to establish manufacturing facilities, recruit local smuggling rings and set up border checkpoints (Hubbard and Saad 2021). The trade has additionally resulted in an increased regime and Iran-aligned presence along borders with countries in which the EU and its partners have invested in border security systems, such as Israel, Jordan, Kuwait and Saudi Arabia, thus creating potential flashpoints for substantial direct armed conflict (COAR 2022). The trade has also empowered the Syrian regime diplomatically, providing a bargaining chip through its provocation of increased cross-border violence and agency over supply to pressure its neighbours for the unconditional normalisation of relations. And within the EU's borders, the Captagon trade presents a new challenge: it has the potential to undermine the rule of law and increase corruption with the transfer of trafficking networks into mainland Europe and the empowerment of existing criminal groups through direct collaboration. It also poses a potential public health risk if the drug becomes a popular substance in local consumer markets (Askew 2023).

As a result, the EU has initiated the process for what appears to be the start of a promising counter-Captagon strategy. On 24 April 2023, the EU imposed sanctions on a series of major Syrian and Lebanese players in the Captagon trade who have clear connections with the Assad regime and Hezbollah (European Council 2023). In this listing, the EU additionally provided evidence of their suspected involvement in the provision of trafficking materials, Captagon production and transportation, and the use of shell companies for shipments—an important step in accountability efforts. This listing followed a joint US–UK sanctions announcement on 28 March, indicating that the EU is in lockstep with its partners in leading a collaborative, counter-Captagon strategy (US Department of the Treasury 2023). In Washington, the US Congress passed legislation establishing the US's first inter-agency strategy regarding the Captagon trade, with the intention of targeting regime links and promoting accountability amongst state and Hezbollah-aligned actors who are sponsoring production and smuggling in order to undercut the effects of sanctions (US Congress 2022). Additionally, US Secretary of State Anthony Blinken recently announced the launch of a Global Coalition to Address Synthetic Drug Threats, which will, among other things, work to restrict the trade in Captagon (US Department of State 2023).

There is further room for the EU and its partners to act, particularly as greater exchange of intelligence, tip-offs and best practices is needed to limit the supply and demand of Captagon. On 29 March 2023, after the US and the UK imposed sanctions on Captagon traffickers, Member of the European Parliament Michael Hoogeveld introduced a series of parliamentary questions enquiring about the EU's next steps. He specifically asked whether the European External Action Service had compiled a Captagon trade-specific strategy and increased its interaction with the authorities in Washington, London and the regional capitals to address this illicit trade (European Parliament 2023). While the European External Action Service is actively monitoring the trade and the EU has enacted a series of sanctions against Captagon traffickers, a broader counter-Captagon strategy and multilateral framework is absent within EU policy. It is important that the

EU establishes a parallel inter-agency strategy to monitor and promote the accountability of implicated actors, and increase public awareness of the health implications of Captagon consumption. It is equally important that the EU works with its partners both in the West and the Middle East to assemble a Captagon-specific multilateral mechanism that promotes informational exchange and dialogue on demand, supply, interdiction and effective harm-reduction strategies.

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Caroline Rose is director of the Strategic Blind Spots Portfolio at the New Lines Institute for Strategy and Policy, where she manages projects on the Captagon trade and on post-withdrawal security landscapes. She also serves as an assistant adjunct professor on Georgetown University’s Security Studies programme, where she teaches on the security implications of the nexus of armed conflict and illicit economies.



When Hollywood and robots collide

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Step into the wild year of 2023, when pens locked horns with processors and Hollywood became the front line on a digital battlefield.

Ladies and gentlemen, welcome to the spectacle we fondly call the 2023 Hollywood Labor Strike. But this time, brace yourself for a twist in the narrative, a curveball that even the most imaginative screenwriters and actors could not have foreseen: the role of artificial intelligence (AI) and the digital revolution in this epic showdown.

This is not the first time that Hollywood's wordsmiths have taken on the colossal production giants that rule the silver screen. But this time they have found a powerful ally in the Screen Actors Guild and American Federation of Television and Radio Artists, the union representing nearly every Hollywood star you have ever adored. This has enabled them to bring the entire film industry to a standstill—and put countless productions on hold. At least Barbenheimer has kept us entertained.

It is a clash of creativity versus the digital future, a showdown between a war of words and a battle of algorithms.

So, what is the problem? It is a two-pronged predicament. First, writers and actors are demanding their rightful slice of the streaming pie. Streaming services have rewritten the rules of entertainment, and while we all cosy up at home, scrolling through an endless sea of films, documentaries and TV series, writers and actors are watching their incomes dwindle as viewers rewatch their works without a cent flowing their way. Their earnings are doing a disappearing act.

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And can you really blame the writers and actors? Crafting the next binge-worthy series or delivering a captivating performance is no walk in the park.

But here is the twist: AI, the ever-eager understudy, is stealing the limelight. These digital scribes have been cooking up content that is giving human writers and actors a serious run for their money. It is like stumbling upon a secret, super-smart identical twin you never knew you had.

AI has been churning out content that can go toe-to-toe with human creativity. From news articles to poetry, and yes, even screenplays, these algorithms have been flexing their neural muscles. And truth be told, some of their output is nothing short of impressive. You would almost think Shakespeare himself had been resurrected as a sentient robot.

The writers' strike and AI's role in it have become a battle of 'us versus them'—even though the 'them' is an algorithm with no interest in the outside world. Writers and actors are demanding respect, royalties and recognition, brandishing picket signs like badges of honour and belting out catchy slogans extolling the power of words. Meanwhile, AI sits silently in the background, generating pages of content, blissfully unaware of the human drama unfolding. Maybe this is because AI has not yet learned how to protest—who knows? By 2050 we might just see AI generating thousands of protests per second.

As the strikes rumble on, with the gaming industry poised for its own uprising, one question lingers: is AI the future of storytelling? After all, if you can feed an algorithm every script ever written, it is bound to concoct something groundbreaking, right? Well, not quite. While AI can mimic the style of famous authors, it often lacks the soul, the emotion and the quirks that make storytelling a profoundly human experience.

Imagine an AI-written romantic comedy where the love interest is a sentient toaster. Sure, it might serve up perfectly crafted sentences with impeccable grammar, but it will be missing that spark that makes us root for the characters. Who is going to shed a tear for a kitchen appliance, anyway?

However, it is also undeniable that AI's power will reshape almost everything we know about today's world—even human creativity and the indispensable role it plays in storytelling. AI can assist us with, generate and even mimic our most basic tasks. But the burning question remains: can it ever replace the heart and soul of the human experience?

We will not be bidding farewell to this peculiar clash of pens and processors anytime soon, as the battle between humans and their AI counterparts will spill over into countless sectors around the globe. But it is perhaps crucial to remember that there is room for all—whether that is in the form of words, ones and zeroes, or something yet to be invented by us (or AI).

Author biography



Julian Bonnici is the Communications and New Media Officer at the Wilfried Martens Centre for European Studies. He is a graduate of the University of Malta with a BA in Communications and English. He started his career as a journalist, covering local and international political and social affairs with Maltese outlets, eventually serving as the editor-in-chief at one of the country's largest media houses. He also has experience working in digital and video production. Julian is fluent in both English and Maltese.



European sovereignty between autonomy and dependence: A guide for EU policy

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Is the idea of ‘European sovereignty’ still relevant? It was originally developed as an EU response to the rise of populism within its territory and the disruption of transatlantic relations brought about by the Trump presidency. But today its relevance appears uncertain in the face of Russia’s invasion of Ukraine and the growing assertiveness of China. This brief argues that European sovereignty (and related concepts such as strategic autonomy) is still an important and necessary guide for EU policy, but only if it is dissociated from some of the excessive and overambitious definitions given to the concept when it was first developed.

European sovereignty is bound to fail if it is defined as taking an equidistant position between the US and China or as aiming for the atavistic goal of autarky in all conceivable policy areas, from security and energy to economy and technology. Instead, the brief argues, European sovereignty must be understood as a moderate and pragmatic agenda of defending EU interests and priorities within the wider framework of the transatlantic relationship, protecting the EU’s internal liberal political and economic order, and defending international openness where the EU still has comparative advantages. Most of all, the necessary objective of protecting European sovereignty against external forces must not become a backdoor for the undue centralisation of political and economic power inside the EU, a process that would be bound to generate new populist reactions and constrain the EU’s room of manoeuvre internationally. The brief concludes by proposing an understanding of European sovereignty as a compound term, containing both the ideal of EU autonomy of action internationally and the protection of the Union’s internal heterogeneity, diversity and level playing field. Understood in this way as a

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'sovereignty of sovereignties', European sovereignty can serve as an important guide for EU policy.

Author Biography

The image shows the front cover of a book. At the top left is the logo of the Martens Centre for European Studies, featuring a stylized star and the text 'Martens Centre for European Studies'. To the right of the logo is the title 'European sovereignty between autonomy and dependence: A guide for EU policy' in a serif font. Below the title is the author's name, 'Angelos Chryssogelos'. At the bottom left is a small section titled 'Summary' with a brief abstract. At the very bottom is a section titled 'Keywords' listing: Governance = Governance; Security = Security; Trade = Technology.

Summary

June 2012

Is the idea of 'European sovereignty' still relevant? It was originally developed as an EU response to the rise of populism, nationalism and the disruption of member states by the eurozone crisis. Today, the concept has relevance again, particularly in the face of Russia's invasion of Ukraine and the growing influence of China. In this book, Angelos Chryssogelos argues that the concept of 'European sovereignty' is not only relevant, but also crucial and necessary, given the challenges posed by the rise of the eurozone crisis and other international developments. The book provides a comprehensive analysis of the concept of European sovereignty and its implications for EU policy, including its relationship with the United States and China, and its role in addressing the challenges of globalisation and technological change. The book concludes with a discussion of the future of European sovereignty in the context of the changing international landscape.

Keywords

Governance = Governance; Security = Security; Trade = Technology

Angelos Chryssogelos is a Lecturer in Politics and International Relations at London Metropolitan University. His interests lie in external relations of the EU, foreign policy in Europe, and European party politics. Apart from being a Martens Centre Research Associate he is also an Associate Fellow of the Europe Programme of Chatham House and an associate of the Hellenic Observatory, European Institute of the London School of Economics. He is also the president of the Athens-based think tank Hellenic Conservative Policy Institute.



Evaluating China's Energy Outlook: The Reds Are Far From Green

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Dimitar Lilkov

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The direction of China's energy policy has become a conundrum. On the face of it, Beijing presents itself as an exemplar of the clean energy transition and a responsible global actor breaking its long-standing fossil-fuel addictions. China's stellar roll-out of renewable infrastructure and its recent international pledges on decarbonisation lend support to such a narrative. However, the reality is different. The Asian country remains the world's largest energy consumer with an incredibly energy-intensive industrial sector. More than 80% of its energy mix comes from fossil fuels, and the country is the major producer and consumer of coal globally. China is the world's biggest polluter and its carbon footprint is only set to increase. Worse still, China's reliance on coal remains a consciously built-in feature of its future energy policy.

This policy brief has three main objectives. First, it analyses China's current energy mix and the likely future trends for both its fossil and clean energy sectors. A special focus is placed on China's growing reliance on coal, as well as on the direction of the country's oil and gas imports, both of which have serious repercussions for global markets and the Sino-Russian relationship. China's clean energy sector is then analysed and put into perspective. Second, the brief explores the unique characteristics of Chinese energy policy and the goal of energy security as its guiding principle. China's economic and energy outlook is not just a product of technocratic deliberations but follows the dictum of the Chinese Communist Party, which remains the nucleus of the country's political life. Finally, the paper closes with an overview of the most important considerations for EU policymakers and puts forward a number of policy recommendations.

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Author biography

The image shows the front cover of a book titled 'Evaluating China's Energy Outlook' by Dimitar Lilkov. The cover features a dark grey background with a white star logo and the text 'Wilfried Martens Centre for European Studies'. Below the title, it says 'The Reds Are Far From Green'. At the bottom, there is a small section labeled 'Summary' with the date 'May 2013'.

Summary
May 2013

The direction of China's energy policy has become a conundrum. On the face of it, Beijing presents itself as an exemplar of the clean energy transition and a model for other countries to follow. In reality, however, the facts do not fit this narrative. China's stellar roll out of renewable infrastructure and its recent international pledges to combat climate change are well known. However, the reality is different. The Asian country remains the world's largest energy consumer and emitter of greenhouse gases. The vast majority of its energy mix comes from fossil fuels, and the country's by far the major producer and consumer of coal globally. China is the world's biggest polluter and its carbon emissions are set to continue to rise. This will remain the case and remain a consciously built-in feature of its future energy policy.

This policy brief has three main objectives. First, it analyses China's current energy situation and its implications for the global energy system and energy services. A special focus is placed on China's growing reliance on coal, as well as on the impact of its energy policies on the environment and the implications of these reverberations for global markets and the Sino-Russian relationship. China's clean energy sector is then analysed and put into perspective. Second, the brief explores the political context of China's energy policy. It highlights the role of energy security as its guiding principle, China's economic and energy outlook is set against the backdrop of the Chinese political system, the Chinese Communist Party, which remains the nucleus of the country's political life. Finally, the brief concludes with a summary of the main findings and policy lessons for EU policymakers and puts forward a number of policy recommendations.

Keywords Foreign policy · Coal · Decarbonisation · Sino-Russian relationship · Energy markets

Dimitar Lilkov is a senior research officer at the Wilfried Martens Centre for European Studies, focusing on energy and climate, as well as digital policy. His specific fields of expertise cover the European Energy Union, energy security and decarbonisation policies.



From Bad to Worse: The Continuing Effects of Sanctions on Russia

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This paper is a follow-up to the comprehensive report “Beyond the Headlines: The Real Impact of Western Sanctions on Russia”, which was published by the Wilfried Martens Centre for European Studies in November 2022. Back then, the paper argued that the widespread view of Russia “weathering” the sanctions, which supposedly brought only a “limited” impact, was wrong, and actually based on an erroneous focus on just a handful of manipulated or misleading macroeconomic indicators, such as GDP, the ruble exchange rate, unemployment, and inflation. A broader cross-sectoral look and focus on a wider set of indicators more realistically reflecting the contraction of economic activity showed a totally different picture: that the sanctions in fact were having a much wider, systemic, and lasting economic impact, which would only continue to increase over time. This meant that sanctions were working, and strategic patience was needed to see their full, devastating impact on the Russian economy. And all this was before the EU embargo on Russian oil came into effect, cutting Russia off yet another significant part of its energy export revenues.

Since then, the situation has gotten much worse for Putin and the Russian economy. First and foremost, the EU oil embargo – on the backdrop of intensified Russian military spending – has thrown Russia into a full-blown budget crisis, something which the country was able to escape in 2022. The 2022 fiscal year ended with a significant deficit (2,3% of GDP) after being in surplus for 11 months; in the first four months of 2023, the budget deficit has exceeded the planned annual deficit (envisioned by the federal budget law) by 17%. It is important to note that, with a significant drop in private and foreign

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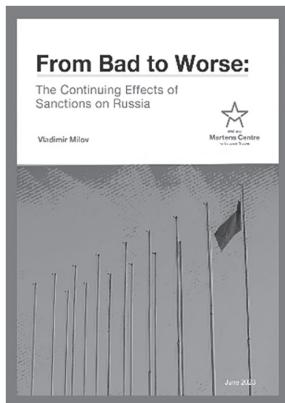
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investment, the economy has increased its reliance on state assistance – the weakness of governmental finances, therefore, is a major impediment to any recovery.

Author Biography



Vladimir Milov is a Russian statesman, politician and economist. He worked in the Russian government in the period 1997–2002 and was engaged in major reforms (in his capacity as deputy energy minister in 2002, he was the author of the concept of unbundling Gazprom), before leaving the government in late 2002 to become a vocal critic of Putin's reversal of democratic and market reforms. He is currently a research associate at the Wilfried Martens Centre for European Studies and a frequent commentator on Russian political and economic affairs in major Western media outlets.



Middle-Class Concerns and European Challenges: A Data-Driven Study from a Centre-Right Perspective

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This report studies the position, aspirations, expectations and fears of Europe's middle classes concerning some of the key challenges that the EU is facing. It is based on an extensive online survey carried out in all 27 EU member states. It reveals an acute economic insecurity and fear of falling behind among EU citizens, especially in the lower social strata. It also shows that this crisis of citizens' expectations and prospects is a threat to political stability, as it feeds into a dangerous crisis of legitimacy and trust in public institutions and political parties. Concerns may be most strongly expressed in the economic field, but also extend to the possible consequences of the war in Ukraine and the broader geopolitical realignments it entails. In particular, the combination of middle-class insecurity and relatively high levels of trust in Russia in parts of Southern and Eastern Europe should be highlighted. However, citizens also think that most challenges can be tackled and reversed through adequate political and policy action. In particular, the centre-right's approaches to security, immigration and the economy retain great appeal among the European middle classes; there is a need to better connect with the lower middle classes though. Citizens also have a high estimation of the problem-solving capacity of civil-society actors and a relatively high level of trust in the EU. An inclusive narrative addressing European challenges on the basis of safety, stability, justice, freedom and cooperation could help to

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reassure Europe's middle classes. Centre-right forces have a fundamental role to play in this process.

Author biography



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The 7Ds for Sustainability: Strategic Policy Initiatives for the European Centre-Right

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Klaus Welle and Peter Hefele

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The EPP is built on the beliefs of Christian Democratic and Conservative People's Parties. Conservatives know that not every reform is progress. They have shared scepticism towards ideologies, and prefer pragmatic solutions. They abhor the violence of revolutions and realise that existing institutions contain the wisdom of generations.

Christian Democrats try to balance and reconcile the seemingly irreconcilable: the social market economy, pluralism, federalism, popular parties and centrism. They aim to be the force of reconciliation and moderation in society.

Both Christian Democrats and Conservatives engage in the defence of the order firmly established in the free part of the European continent after 1945: representative democracy, the rule of law, inviolable human rights and a firm stand against any attempts of illiberal democratic backsliding. The Conservative intent to preserve and the Christian Democrat willingness to balance converge in the principle of sustainability. If we wish to preserve, we must find a proper balance between present and future necessities and ensure fairness between generations.

Sustainability, therefore, has to be the core guiding principle of Christian Democrat and Conservative action across all policy areas.

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The Ukraine War and Its Implications for European Security

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Jolyon Howorth

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The war in Ukraine has highlighted many uncertainties and raised many questions concerning Europe's future security and defence requirements. Has the world now been forced to accept that interstate war is no longer a phenomenon of the past? Have the EU's relations—and hopes for partnership—with Russia irrevocably ended? Has a new eastern-leaning centre of gravity been established within the EU? How has the war affected the nature and trajectory of transatlantic security relations? How might the EU conceptualise and deliver on its new requirements in the field of military capacity? What are the prospects for a peace settlement and a new Eurasian security order? These profound questions require a major aggiornamento in the EU's approach to security and defence policy.

Author biography



Jolyon Howorth is a Research Fellow at the Belfer Center for Science and International Affairs, John F. Kennedy School of Government at Harvard University; and the Jean Monnet Professor ad personam and Professor Emeritus of European Politics at the University of Bath. He has published extensively in the field of European security, defence policy, and transatlantic relations.

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Why Price Stability Matters

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As of March 2023, overall inflation is declining in Europe. However, core inflation levels continue to remain well above the 2% mandate of the European Central Bank (ECB). In fact, the current bout of inflation should continue to weaken as and when supply-chain disruption and energy shortages abate. If prices should decline somewhat from their recent peak levels, their contribution to inflation would even be negative, that is, they would contribute to lower inflation rates. However, there are also factors that will prevent a large and immediate decline in inflation as soon as these scarcities wane. As import and supply prices have risen very strongly in recent months, it will take some time for these price increases to feed through the value chains into the final consumption and consumer prices. This is an important reason why inflation will remain significantly higher than 2% for the next one to two years. However, after this period inflation should come down again to more normal levels, unless significant new price pressures or ‘second-round effects’ occur.

An important second-round effect would be a rise in inflation expectations among economic actors. This is why the ECB needs to continue to signal its commitment to getting inflation down to its target rate of 2% in the medium term. Another important second-round effect—one that is closely connected to inflation expectations—is the potential for a wage–price spiral. In fact, this represents the largest current danger as it could lead to high inflation becoming much more persistent. Import price increases (and particularly energy price shocks) must not be amplified by further labour cost shocks, but

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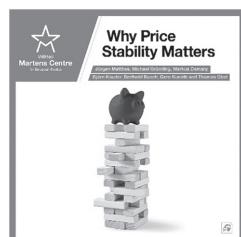


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instead the resulting loss of purchasing power must be shared between employees (through lower real wages) and employers (through lower profits, as firms cannot usually fully pass on higher input costs in their sales prices). If trade unions force significant labour cost increases to keep real wages constant or even rising, renewed cost shocks would lead to new price pressures for firms and force them to increase their sales prices further. This would most likely lead to a wage–price spiral and would force the ECB to raise interest rates even more, thus increasing the costs of disinflation and the danger of a recession.

To prevent a wage–price spiral, it is thus high time for macroeconomic coordination between the various policy actors. Monetary policy should focus on targeting price stability, while wage bargaining and fiscal policy should support monetary policy in this objective. Wage negotiation outcomes should include one-off payments by companies on top of normal wage increases. One-off payments would target purchasing power losses but would, at the same time, prevent a long-term increase in labour costs. Fiscal policy should make one-off payments attractive for companies and employees by allowing generous tax deduction possibilities. Even more important, fiscal policy should strive to limit the impact of the current large price increases by providing targeted income support for those members of society most negatively affected by higher inflation rates. In any case, due to high inflation rates and actual supply-side constraints, it is currently not the time for a fiscal stimulus via higher government expenditures.

Author biographies



Jürgen Matthes heads the Research Unit of International Economics and Economic Outlook at the German Economic Institute (IW), the largest privately financed economic think tank in Germany. Before taking this position in 2015, he held several positions in the IW Köln which he joined in 1995. His economic studies were undertaken in Dortmund and Dublin (1988–1995).

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