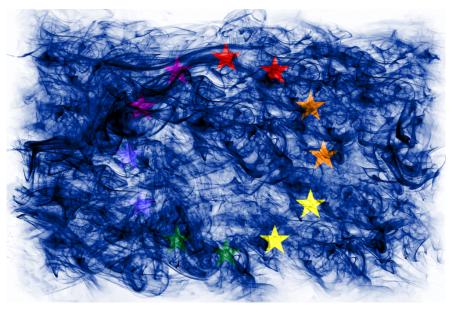
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Michel Barnier: Europe's Future Is Up to Us

As 2019 begins, many in the Europe Union are no doubt feeling a sense of despair in the face of mounting environmental, economic, and political threats. But by focusing on four key priorities in the coming year, EU leaders could start to put the European project back on track



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Not far from my Brussels office, there is a large fresco with the inscription, "The Future Is Europe." Once a deeply held truth among most Europeans, this belief is being increasingly challenged today.

Of course, pessimism comes easy nowadays. While the damaging effects of climate change are playing out before our eyes, the United States' choice of unilateralism, the rise of China, and escalating geopolitical tensions elsewhere are posing new challenges to European prosperity and security. So, too, does the spread of disinformation and terrorist attacks in the heart of our cities, as we saw again this Christmas season in Strasbourg, France.

Yet this is not the time for defeatism. Now more than ever, we Europeans need collective action in

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defense of our values and a rules-based international order. This could be Europe's moment, based on a more robust and decisive European Union, as German Chancellor Angela Merkel recently <u>called for</u>. To achieve this, Europeans will have to come together to tackle the challenges to our sovereignty, and to ensure responsive governance. That means asserting both national and European sovereignty in trade, defense, and the digital sector, lest China and the US end up imposing their own rules on us. And it means bringing national governments and EU institutions closer to European citizens. As Brexit and the "Yellow Vest" protests have shown, the fault lines cutting across European societies can no longer be ignored. To seize the moment in 2019, European leaders should focus on four key priorities.

The first is to build a "Green Europe." If every country in the world had the same resource footprint as most European countries, the world would need three times more resources to sustain everyone. This is not just a problem for future generations. The World Health Organization has estimated that air pollution accounts for more than 3.4 million years of life lost across the EU per year.

A comprehensive response to this challenge should use all available policy levers, from supporting green finance to reducing waste and discouraging planned obsolescence on the part of producers. But we also need to think and act boldly, in the spirit of those in the US who are now calling for a "Green New Deal." Europe could be the global leader in developing a circular economy, and in becoming the first fully electric continent by 2030 based on clean transport and electric vehicles.

Moreover, the measures to achieve these goals need not be socially regressive. If policies are fair and well-designed, they can improve our collective wellbeing and stimulate economic growth without imposing an intolerable burden on those least able to bear it.

The second priority, then, is to build an economy that serves everyone. As matters stand, there are still around <u>17 million</u> unemployed people in Europe, including <u>35% or more</u> of young people in Italy, Greece, and Spain. With incomes in many EU member states failing to catch up with the EU average, economic convergence <u>has stalled.</u>

In a world of increasing geo-economic competition, we must consolidate our foundations if we are to preserve our social-market model. That means deepening the single market and ensuring that there are no double standards in how citizens and companies across the EU are treated. Beyond that, we must further strengthen the European Monetary Union, bolster the international role of the euro, and direct massive shared investments toward strategic technologies, particularly in the digital sector.

Managing globalization means that nobody should be left behind without economic opportunities or access to public services. To respond to financial and demographic pressures, we need to modernize our social and education policies. We can begin by mapping the skills and jobs that will be needed in 2030, in order to anticipate the changes that are in store. But we must also ensure that multinational companies pay their fair share of tax, and that competition in the digital age is fair. As <u>Guy Verhofstadt</u> of the European Parliament recently <u>pointed out</u>, that means holding big tech accountable.

The third priority is to control our borders and deal with the challenges of migration. Our

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response cannot be based on fears and myths, but nor can we ignore national debates and identities. We should focus on the mechanisms that actually work. In addition to consolidating the EU's Frontex border-management system and creating <u>common hotspots</u> at our external borders and beyond, we must also harmonize national-level migration and asylum policies as much as possible.

Equally important, we need to reinforce solidarity mechanisms and compensate member states that are relatively more exposed to the effects of migration or do more than others. And we must work with our partners outside the EU, not least by developing a comprehensive partnership with Africa on economic development and managed migration. After all, by 2050, Africa will be home to 2.5 billion people, half of them under the age of 25.

Last but not least, Europe can no longer afford to outsource its security. All told, Europe is second only to the US in terms of <u>defense spending</u>. But our investments are piecemeal. For example, we produce <u>17 different models of tanks</u>, whereas the US relies primarily on just one. This kind of military duplication costs Europe <u>€20 billion</u> (\$23 billion) per year.

Nobody will do for us what we will not do for ourselves. Fortunately, under the leadership of European Commission President Jean-Claude Juncker, we have already made progress toward jointly producing equipment and technologies through the European Defense Fund, ending the competition between the EU and NATO, and stimulating cooperation among national defense industries. Now, we must build on these initiatives and go further, by reinforcing our crisismanagement tools and developing a common strategic culture based on joint forces and pooled national capabilities.

Meeting Europe's challenges will require political courage at both the national and EU levels. But it will also require transparency, debates on the ground (and not just in capital cities), effective and accountable leaderhips, and new ways of engaging citizens. Only then will people truly believe that Europe is the future, not just wishful thinking.

This text is a shortened version of a speech delivered at a conference in Brussels on November 5, 2018 and was first published on Project Syndicate on 4 January 2019