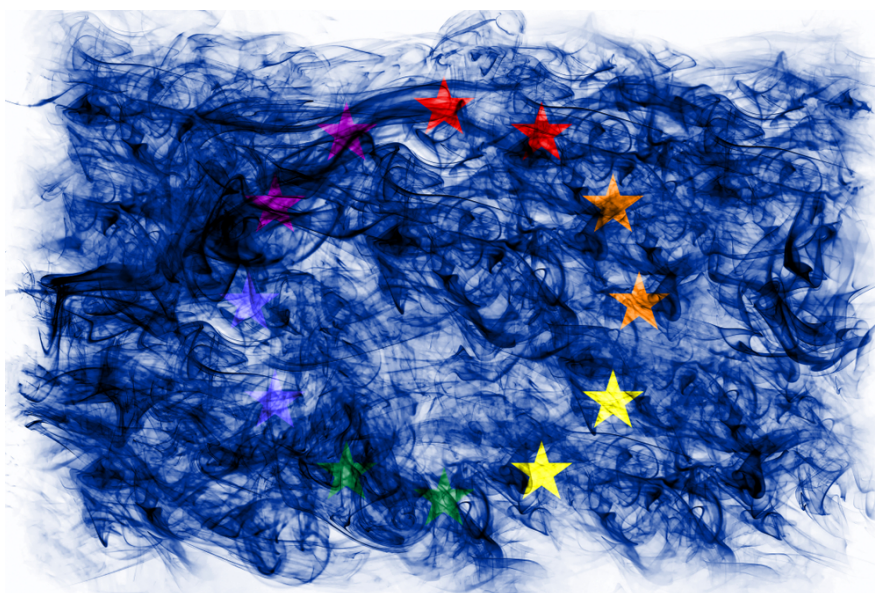


Michel Barnier: Europe's Future Is Up to Us

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



Source: Shutterstock

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

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 [called for](#). 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 [17 million](#) unemployed people in Europe, including [35% or more](#) 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 [has stalled](#).

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 [Guy Verhofstadt](#) of the European Parliament recently [pointed out](#), that means holding big tech accountable.

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

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 [common hotspots](#) 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 [defense spending](#). But our investments are piecemeal. For example, we produce [17 different models of tanks](#), whereas the US relies primarily on just one. This kind of military duplication costs Europe [€20 billion](#) (\$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 crisis-management 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 leaderships, 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](#)

Author

Alissa Lefebvre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist
+32495364780
ruben.dewitte@ing.com

Kinga Havasi
Economic research trainee
kinga.havasi@ing.com

Marten van Garderen
Consumer Economist, Netherlands
marten.van.garderen@ing.com

David Havrlant
Chief Economist, Czech Republic
420 770 321 486
david.havrlant@ing.com

Sander Burgers
Senior Economist, Dutch Housing
sander.burgers@ing.com

Lynn Song
Chief Economist, Greater China
lynn.song@asia.ing.com

Michiel Tukker
Senior European Rates Strategist
michiel.tukker@ing.com

Michal Rubaszek
Senior Economist, Poland
michal.rubaszek@ing.pl

This is a test author

Stefan Posea
Economist, Romania
tiberiu-stefan.posea@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Jesse Norcross
Senior Sector Strategist, Real Estate
jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition

teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare

diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@asia.ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT
jan.frederik.slijkerman@ing.com

Katinka Jongkind
Senior Economist, Services and Leisure
Katinka.Jongkind@ing.com

Marina Le Blanc
Sector Strategist, Financials
Marina.Le.Blanc@ing.com

Samuel Abettan
Junior Economist
samuel.abettan@ing.com

Franziska Biehl
Senior Economist, Germany
Franziska.Marie.Biehl@ing.de

Rebecca Byrne
Senior Editor and Supervisory Analyst
rebecca.byrne@ing.com

Mirjam Bani
Sector Economist, Commercial Real Estate & Public Sector (Netherlands)
mirjam.bani@ing.com

Timothy Rahill
Credit Strategist
timothy.rahill@ing.com

Leszek Kasek
Senior Economist, Poland
leszek.kasek@ing.pl

Oleksiy Soroka, CFA
Senior High Yield Credit Strategist
oleksiy.soroka@ing.com

Antoine Bouvet
Head of European Rates Strategy
antoine.bouvet@ing.com

Jeroen van den Broek
Global Head of Sector Research
jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare
edse.dantuma@ing.com

Francesco Pesole
FX Strategist
francesco.pesole@ing.com

Rico Luman
Senior Sector Economist, Transport and Logistics
Rico.Luman@ing.com

Jurjen Witteveen
Sector Economist
jurjen.witteveen@ing.com

Dmitry Dolgin
Chief Economist, CIS
dmitry.dolgin@ing.de

Nicholas Mapa
Senior Economist, Philippines
nicholas.antonio.mapa@asia.ing.com

Egor Fedorov
Senior Credit Analyst
egor.fedorov@ing.com

Sebastian Franke
Consumer Economist
sebastian.franke@ing.de

Gerben Hieminga
Senior Sector Economist, Energy
gerben.hieminga@ing.com

Nadège Tillier
Head of Corporates Sector Strategy
nadege.tillier@ing.com

Charlotte de Montpellier
Senior Economist, France and Switzerland
charlotte.de.montpellier@ing.com

Laura Straeter
Behavioural Scientist
+31(0)611172684
laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri

thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors

maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands

marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research

marieke.blom@ing.com

Raoul Leering

Senior Macro Economist

raoul.leering@ing.com

Maarten Leen

Head of Global IFRS9 ME Scenarios

maarten.leen@ing.com

Maureen Schuller

Head of Financials Sector Strategy

Maureen.Schuller@ing.com

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

Rafal Benecki

Chief Economist, Poland

rafal.benecki@ing.pl

Philippe Ledent

Senior Economist, Belgium, Luxembourg

philippe.ledent@ing.com

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Inga Fechner

Senior Economist, Germany, Global Trade

inga.fechner@ing.de

Dimitry Fleming

Senior Data Analyst, Netherlands

Dimitry.Fleming@ing.com

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Iris Pang

Chief Economist, Greater China

iris.pang@asia.ing.com

Sophie Freeman

Writer, Group Research

+44 20 7767 6209

Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

James Knightley

Chief International Economist, US

james.knightley@ing.com

Tim Condon

Asia Chief Economist
+65 6232-6020

Martin van Vliet

Senior Interest Rate Strategist
+31 20 563 8801
martin.van.vliet@ing.com

Karol Pogorzelski

Senior Economist, Poland
Karol.Pogorzelski@ing.pl

Carsten Brzeski

Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel

Foreign Exchange Strategist
+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas

Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn

Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder

Senior Rates Strategist
benjamin.schroeder@ing.com

Chris Turner

Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel

Chief Economist, LATAM
+1 646 424 6464

gustavo.rangel@ing.com

Carlo Cocuzzo

Economist, Digital Finance

+44 20 7767 5306

carlo.cocuzzo@ing.com