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### 'Europe in the World' Roundtable Summary of Discussions

An E3G Thinking Event 21 February 2006 at The Centre, Brussels

### About the event

The 'Europe in The World' roundtable was convened by E3G in association with The Centre and the support of the Italian Ministry for Environment and Territory. The aim of the event was to undertake some critical shared thinking on whether Europe can become a pathfinder for the global transition to sustainable development. A focus was placed on the economic considerations Europe would face in rising to this challenge.

The roundtable formed part of a series of events being undertaken by E3G to contribute to the development of a political pamphlet that will offer a new, outward-looking prospect for the European project, through which the EU can live up to its potential and shape the future of our globalised world.

This discussion took place under the Chatham House Rule<sup>1</sup>. This summary is not a minute of the meeting but instead offers a flavour of the discussions.

#### Overview

The discussions at the roundtable revealed a shared sense that:

- The promotion of the Lisbon Agenda has pushed forward serious thinking on sustainable development, and the two are increasingly seen to be reinforcing.
- If Europe is to promote sustainable development at a global level it needs to lead by example. There is currently a coordinated approach to climate change policy but this consistency is not evident in many areas including energy or trade policy.
- Europe has strong reasons for taking on this role, however it faces barriers in terms of a lack of confidence in the capacity of the EU to become economically and politically strong enough; an overly defensive and protectionist approach to global affairs; and a lack of trust by citizens in the EU as demonstrated by the French and Dutch "no" votes.
- Not only must Europe consider whether it wants to assume this responsibility, and whether it has the capacity/capability, it must also consider how such an approach can be made desirable to its citizens.

<sup>1</sup> Chatham House London - When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.





# Session 1: "Europe's new vocation – Europe as a pathfinder for the global transition to sustainable development"

The provocation: "Our challenge today is to build a mirror in which we can see the whole world reflected"

In the face of globalisation and rapid global change, Europeans still have the same core aspirations and values of security, prosperity, social justice and the prospect of fulfilment. However, over the past 20-30 years conditions have changed, and these aspirations can no longer be delivered by purely internal means – we must also look out at, and work with, the world around us.

### Two contrasting examples:

The recent publications of cartoons in a Danish newspaper had severe global repercussions. If we in Europe think we can continue to act without considering our external footprint we will increasingly fail to deliver. Like it or not, we in Europe are seen from outside as belonging to a single actor.

At the same time opportunities are opening up. In China there is anticipation about Europe and the role we can play in shaping the global system. Chinese leaders are showing increasing willingness to have forward thinking conversations with Europe – for example on the subjects of energy and climate change.

In trying to develop a coherent sense of purpose for Europe in the world the following questions must be considered:

- 1. Do we need Europe to be a global leader for sustainable development?
- 2. Do we as Europeans want this?
- 3. Do we have the capacity to achieve this task?
- 4. Is it legitimate? / Do we have permission?

### Key points raised:

- Europe has every interest in taking a leading role internationally as the scale of many of the problems it faces, including climate change and the human impact on natural resources, are truly global.
- Europe has a responsibility to take leadership in these areas. There is a feeling that: "If we don't, who will?"
- As well as having an interest in taking this role, Europe also has the capacity to deal with these issues. However, it needs motivation, and alignment in the mechanisms that it possesses.





- If Europe is to be a leader in the transition to global sustainable development, it needs to lead by example and back up its message with appropriate funding.
- The EU has an aligned vision on climate change which helps it to present a united approach in international discussions.
- Sustainable development is the basis of economic sustainability. Although there was anxiety about the Lisbon process, it is because of the discussions around Lisbon that the EU has thought seriously about sustainable development.
- We built the Union for peace in Europe over the past 50 years. We should now be doing this for the world. In doing so, we must utilise the strengths that Europe has. This includes taking seriously the promotion of the "knowledge society".
- There is perhaps a 5th question to be answered: Can we make this approach desirable? This is a cultural issue and it involves building stronger connections and alignment with European citizens.
- If we imagine that 2007 is the peak of oil extraction and there are only 45 years of oil left those who have access to knowledge and resources will be better placed. Are we able to act in unity in a Europe with 27 countries?
- Can we really say that Europe is universalist if it wants to lead in this area? This sounds exceptionalist!
- When seeing Europe as universalist and taking a role of leadership, it is not based on traditional leadership. This approach means having a purpose in which we have selfconfidence; undertaking 'open source' leadership; and being explicit about our accountability.

# Session 2: "Redefining Competitiveness – a vision for Europe's economy in a sustainable world"

### The provocation:

Europe is facing a set of long term economic challenges which require fundamentally new responses, including the rise of new economic powers, the ageing and stabilisation of its population and increasingly tight environmental and resource constraints.

This future situation will challenge much of the current received wisdom. Ageing populations will force a redefinition of what counts as economic success, and the need to keep within natural limits will change the role of the state in the economy.





Major political changes will be needed if countries are to make the transition to truly sustainable development. Europe will be one of the first to address these issues, and as the world's largest economy will be a pathfinder for others such as Japan and China.

Europe must also do this from a position of prolonged economic underperformance, and when its ability to function as a political entity has been severely challenged.

The full introductory paper 'Europe in the World: Elements of a New Economic Narrative' provides a more detailed starting point for ongoing discussion.

### Key points raised:

- There's a difference between "Legitimacy" and "Capacity" to act. Environmental issues are actually well served by the EU's division of competencies, whereas the policy-making approach is not so clear cut for other issues at present.
- The Legitimacy issue is important. The French and Dutch "no" votes showed the
  misalignment between leaders and people, and, with an enlarged EU, trust is very
  low.
- We're going to have to create legitimacy in a slightly different way. There will continue to be demand-led integration because the EU has to deliver reform on key issues. In a year or two, focus will need to return to institutions and the budget.
- Europe's approach to energy is significant and it is likely that this issue will come to a head soon. There is currently a lack of will within member states for a single energy policy towards regions such as Russia.
- Tackling economic problems is the key to the acceptability of Europe. The evidence of the "no" votes in the French and Dutch referenda point to a lack of confidence due to Europe's economic failure. This is felt very strongly due to Europe's past economic strength. In talking about how Europe must respond to these wider challenges we must not lose focus. Jobs are very important.
- Different people see jobs differently. There is a sustainability issue in Lisbon. Solving
  short term jobs is important but we need to think more about the type of jobs
  created, and how we go about it. If Europe improved it's child care provision, it
  would: increase the number of women in the work place, increase birth rates, and
  lead to growth
- Europe does need common approaches in terms of: spending on the development of
  a knowledge economy, open and flexible markets, an active role for the state for
  helping people into jobs, and applying competition rules. However, we shouldn't
  constrain how the social model is adopted in each member state. Not all countries





can adopt the same approach as the Nordic model. Social models cut to the heart of identity and culture.

- Due to the tough economic decisions that will need to be taken on sustainable development and climate change (e.g. de-industrialisation), we will need an adequate social dimension and more flexibility.
- The second generation Lisbon agenda is lacking in tools and buy in. This is a lose/lose situation there are increased expectations but a lack of support. EU papers that look good are often not followed through at member state level. This will not help if we want to lead by example. The US has detailed allocations for investment in energy efficient technologies. Implementation of what is agreed at the EU level is vital.
- The big issue is whether leading member states want greater political integration. It is hard to be optimistic about this. E.g. EU-China is not a structured relationship but a race for contracts.

### **Overall Conclusion**

- There are still obvious tensions between what should be the responsibility of EU level and of MS level.
- Europe shouldn't just wait until nations states are "ready"/ "aligned". China is now, we need to find ways of creating this change.
- There is still a tension between the mainstream economic agenda and the Sustainable Development agenda. It is better than it was but still needs work to bring the two together.

### Next steps

• E3G will be undertaking further thinking events across Europe over the coming months. These will contribute to the refinement of the tentative narratives discussed at the Brussels roundtable, and will serve as inputs into the planned political pamphlet currently under development.

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