

A New Manifesto for Europe

Annual Meeting 2019

Davos-Klosters, Switzerland

Objective of the meeting

The meeting held on 23 January 2019 at the Annual Meeting of the World Economic Forum in Davos-Klosters was the result of several months of deliberations led by the World Economic Forum's Global Future Council on Europe (GFC Europe), a community of thought leaders from government, business, academia and the media with a mandate to generate fresh policy thinking about Europe's future. It featured a discussion on the basis of the ideas outlined in the GFC white paper titled *Reflections on the Future of Europe*.



Opening plenary at the "A New Manifesto for Europe" session at the Annual Meeting 2019 in Davos-Klosters

Introductory reflections

This year will be a defining one for Europe. The region is facing multiple challenges, from Brexit and deepened political divergence about the direction of its future, to the dramatic economic and societal transition led on by the Fourth Industrial Revolution.

Participants noted that the future of Europe cannot be understood only in terms of logical arguments, but instead it is as much about regaining the feeling of what it means to be European. The wave of populism and nationalism is a result of those who feel left behind in the era of globalization and fast-moving technological changes affecting European economies and societies. The rise of social media and the fragmentation of news and information flows is magnifying these trends, making

it difficult to form a cohesive narrative about Europe's future. Successfully navigating these challenges will require leaders of representative democracies to be more agile and responsive to the changes taking place and the sentiment of the population. Europeans need to be reassured that technological gains will not result in massive job losses and that the economic and social model that has rendered Europe so successful up until now will survive and adapt to the new digital era. A new vision for Europe that instils trust, hope and optimism is needed.

European societies in transformation

At the heart of the societal changes sweeping the region is the question of whether a common European identity still exists, and if so, how it resonates with the hopes and fears of Europe's citizens. For many, the future looks turbulent and uncertain. European politicians need to take these anxieties seriously and better explain what steps are being taken to guarantee citizen's livelihoods and prosperity in the economic transition. The failure of traditional parties to do so has resulted in the rise of populist leaders using simple arguments to explain complex issues. There is a need to better connect traditional European values to the ongoing changes taking place and to better explain to citizens how the European identity is evolving to embrace these new realities.

Neighbourhood politics and Europe's role in the future global architecture

Amid the changing geopolitical, economic and societal landscape, how can Europe redefine its global leadership role and what does the shifting power balance mean for its alliances? Speakers noted that regardless of whether Europe's rift with the United States is transitional or permanent, Europe needs to remain transatlantic while also stepping up its competitiveness vis-à-vis the US. The impact of a shift in global power relationships also means that Europe needs to increase its defence capacities. This must also include capacity to better deal with hybrid threats, including increased cyberattacks from Russia and China, global terrorism and organized crime. Regional priorities should be focused on deepening strategic collaboration with the Western Balkans and

African countries.

Some of the innovations that were explored related to how to cultivate a common European strategic culture and how the EU can respond more swiftly to crises in the neighbourhood and globally. It was noted that the new European Peace Facility (EPF) will close existing gaps in the EU's toolbox by making funding available for urgent assistance. It is not yet clear, however, whether the EPF is sufficient or if Europe needs a more integrated institution to increase the reach, impact and effectiveness of its external action in peace and security. A European Security Council that could combine joint strategic analysis with political decision-making in peace and security, was an idea to be further explored.



Speakers included **Miroslav Lajčák**, Minister of Foreign Affairs of Slovakia and GFC Co-chair, **Timo Soini**, Minister of Foreign Affairs of Finland and GFC member, **Noura Berrouba**, 2019 Annual Meeting Co-chair, **Ursula von der Leyen**, Federal Minister of Defence of Germany, **Alexander De Croo**, Deputy Prime Minister and Minister of Finance and International Development of Belgium and **Daniel Sachs**, Chief Executive Officer, Proventus

Europe in the Fourth Industrial Revolution

Europe needs to catch up with US and China in the field of new technologies, including artificial intelligence (AI). That said, Europe has many strong qualities on which to base innovation and is well positioned to more sustainably adapt to the Fourth Industrial Revolution. At the forefront of this is smart regulation of technology, taxation and anti-trust laws. This advantage needs to be used to ensure that rapid technological developments benefit European societies at large and don't increase social and economic inequalities. Europe should lead in the Fourth Industrial Revolution by pooling funding, creating standards and stepping up its digital infrastructure. This needs to be combined with a clear re-skilling vision and a shift in the approach by academic and educational institutions towards a model of "life-long learning" based on adapting citizens to the current age. Existing educational systems should also be better linked to industry and innovation hubs, making them more aligned with the changing skill sets required by global labour markets.

Raising Europe's competitiveness and economic growth

Stepping up Europe's competitiveness and growth will require a significant investment in innovation and R&D to create jobs and strengthen competitiveness globally. It

will also require allowing European companies to achieve scale so that they can compete with the large platform companies from Asia and the US. This requires better balancing of the EU's competition policy and making sure that maintaining competition within the European Single Market doesn't mean European companies fall behind in scaling up. Europe also needs to better define its niche in innovation and draw upon its comparative advantages related to sustainability. Areas to explore could include green innovation, food technology, science and AI-engineering and new digital innovations to address social and environmental challenges (e.g. migration, inequality and climate change). If the region gets this combination right, it could be very competitive in the next phase of innovation.

Next Steps for GFC Europe in 2019 and 2020

Building on the outcomes of the Dubai summit, the Annual Meeting 2019 and the virtual meetings of the GFC, the Forum will serve as a platform to public and private stakeholders to develop a New Manifesto for Europe containing fresh policy ideas as input to the ongoing political debates and to the new European Commission.

Key dates 2019

- 17 April Third GFC Europe Conference Call
- 15 May GFC Meeting on "A New Manifesto for Europe" (Brussels, tbc)

GFC Europe Members

Alexander Stubb, Vice-President and Member of the Management Committee, European Investment Bank
Alexandros Papachela, Executive Editor, Kathimerines Ekdoseis

Ana Brnabic, Prime Minister of Serbia

Ann-Kristin Achleitner, Prof. Entrepreneurial Finance, Technical University of Munich

Beatrice Weder di Mauro (co-chair)*, President, Centre for Economic Policy Research

Benoît Coeuré, Member of the Executive Board, European Central Bank

Catherine de Boli, Director, Europol

Gulnur Aybet, Senior Adviser to the President of Turkey, Office of the President of Turkey

Karen Donfried, President, The German Marshall Fund of the US

Margarete Schramböck, Federal Minister for Digital and Economic Affairs, Austria

Miguel Milano, EMEA Chief Executive Officer, Salesforce

Mohamed Issa Abushahab, Ambassador of the United Arab Emirates to Belgium and Head of Mission to the European Union,

Miroslav Lajčák (co-chair)*, Minister of Foreign and European Affairs of the Slovak Republic

Pascale Baeriswyl, State Secretary for Foreign Affairs of Switzerland

Péter Szijjártó, Minister of Foreign Affairs and Trade of Hungary

Peter Seidel, Author, Germany

Robin Niblett, Director, Chatham House

Timo Soini, Minister of Foreign Affairs of Finland

Mark Leonard, Director, ECFR

Norbert Röttgen, Chairman of the Committee on Foreign Affairs, Federal Assembly of Germany (Bundestag), Germany

Ulla Tørnæs, Minister for Development Cooperation of Denmark

Yascha Mounk, Lecturer on Political Theory, Harvard University
Grace Ballor (GFC Fellow)*, Max Weber Postdoctoral Fellow, European University Institute, Italy

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