

H.E. Mr Mark Rutte  
Prime Minister of the Netherlands  
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8 July 2019  
pval/pval

Dear Prime Minister,

Europe is at crossroads and needs to provide the requisite leadership to address today's challenges. In a time of extraordinary technological, social and economic change, Europe must respond better to the changing reality and transform challenges into opportunities.

In this spirit, we are pleased to share with you a statement written by the Global Future Council on Europe – an eminent community of thought leaders from government, business and civil society convened by the World Economic Forum with the mandate to generate innovative policy-thinking for Europe's future.

We hope the Council's *New Manifesto for Europe* which is enclosed will provide inspiration for your ongoing work to set a European agenda that delivers on the issues that really matter to people.

Next year in January, the World Economic Forum will commemorate its 50th anniversary at its Annual Meeting in Davos-Klosters. As the Forum is an international organization with strong European roots, Europe and its future will be an important topic for discussion.

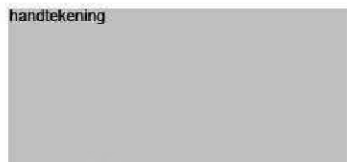
Yours sincerely

handtekening



Klaus Schwab  
Founder and Executive Chairman

handtekening



Borge Brende  
President

## Shaping a More Innovative, Inclusive and Prosperous Future: A New Manifesto for Europe

### Open Letter from members of the World Economic Forum's Global Future Council on Europe

*Addressed to:*  
*EU-28 Heads of State and Government*  
*The incoming President of the European Council*  
*The incoming President of the European Commission*  
*The new college of European Commissioners*  
*The incoming President of the European Parliament*  
*The incoming President of the European Central Bank*

Dear European leaders,

Europeans are living in a time of great uncertainty filled with both enormous opportunities and profound risks for the future of the common European project. Many feel uneasy about their economic, social and environmental futures and anxiety about how to keep up with rapid technological change and deepened globalization.

For the first time since the beginning of the European integration process, there is real urgency for Europe to reaffirm its unique *raison d'être*. A changing geopolitical landscape leaves the region with the responsibility to step up its global leadership role and to stand up for democracy, rule of law and multilateral diplomacy. And Europe requires a new narrative that creates hope and restores trust in the era of the Fourth Industrial Revolution, which is provoking unprecedented technological change.

That is why we, the members of the World Economic Forum's Global Future Council on Europe, representing a multistakeholder group of thought-leaders from governments, businesses, start-ups, academia and media, have come together to reflect on the next strategic agenda for Europe.

This letter outlines five main messages and proposals emerging from our deliberations and our *New Manifesto for Europe*, as well as the summary and conclusions from our meeting with the European Commission. We hope these ideas will contribute to shaping a more innovative, agile, prosperous and sustainable future for the region.

#### **1. Europe needs to deliver on its original promises and prioritize and create a people-centric agenda**

When considering Europe's future, the first question is whether the region has achieved the original idea of the European project – to guarantee peace and stability, economic prosperity and the rights and freedoms of its people. While Europe has made much progress, several of these fundamental promises remain unfulfilled. Therefore, the first thing leaders should focus on is delivering on these fundamental promises. Yet Europe cannot be everything for everyone, the head of every effort, the champion of every initiative. Leaders should prioritize a set of "European common goods" where the EU as a whole has a better chance at success than individual member states do alone. Finally, the fact that many citizens feel left out of the European project has demonstrated the need to for a truly people-centric agenda that seriously, clearly, coherently and boldly addresses the gap in public trust.

## 2. Step up Europe's global leadership role

Europe carries a special responsibility to embody and advocate for a rules-based, values-driven, democratic and collaborative world order. People still look to Europe as a place where their human, social and economic rights are protected and where they can live in freedom. This respect for and faith in European values is a core asset that should be employed more strategically to build Europe's global leadership role and promote standards and norms that can be of value beyond the region, including in the area of fast-moving technologies. European leaders should build on Europe's role as a "normative superpower" while taking decisive action to defend the liberal and open democratic model that has created prosperity and stability over the last decades.

## 3. Promote competitiveness, convergence and stabilization

Do not wait until another crisis arrives to strengthen the euro area; action that combines risk sharing with long-term market discipline is needed now. This includes completing the Banking Union, mitigating the doom loop of banking and sovereign crises and establishing a European deposit insurance scheme. Equip the Eurozone budget with meaningful convergence and stabilization functions. Create a common safe asset that does not require mutualization but prevents destabilizing capital flows across the euro area. Ultimately, rebuilding trust in Europe requires a grand bargain of economic, financial and social measures, much like what was achieved at the Bretton Woods Conference in 1944. With the current sense of urgency, we call for a European Bretton Woods conference to jumpstart an ambitious agenda for Europe's economic future.

## 4. Future-proof Europe for the Fourth Industrial Revolution

The Fourth Industrial Revolution has already transformed the way citizens, businesses and governments engage with each other. As the global race for investment, knowledge, talent and research intensifies, Europe must stay competitive against global powers while it designs its own human-centred approach to technological development. Leaders should consider a few steps to future-proof Europe for the next era:

- Create a European tech venture fund for mid-cap companies. To boost the region's competitiveness, European mid-cap companies (between \$2 and \$10 billion) must be able to reach global scale much more easily. The European tech venture fund should be specifically focused on mid-cap companies and bring together governments with institutional investors to boost funding and remove policy and regulatory barriers.
- Establish a European talent tech pipeline for the next generation of European tech pioneers. A consortium of top European universities, businesses and industry actors should create this initiative, aiming to build a more systematic approach to scouting and cultivating talent.
- Keep Europe growing by seriously stepping up its ambitions in science, technology, engineering and mathematics (STEM) education, as well as by boosting efforts to reach the European 2020 target of 3% investment of GDP into research and development (R&D).
- Invest in the right digital and physical infrastructure to support Europe's digital transformation. This includes physical railway connections and 5G and gold-standard broadband connectivity. Leaders should create centres of excellence focusing on leveraging the comparative advantages of individual member states throughout Europe.

## 5. Deliver a climate-smart and sustainable Europe

To secure its common future, Europe needs to continue to lead the global transformation to an inclusive, green and climate-neutral economy in line with the Paris Agreement. To deliver this leadership, it is necessary to:

- Develop nationally determined contributions (NDC) that will deliver significantly reduced emissions by 2050 with clear NDC investment plans and supporting policy measures to indicate how this will be achieved across key sectors of the economy.
- Enhance carbon pricing mechanisms to stimulate the market for low-carbon solutions and transition away from carbon-intensive activities. These need to be linked to industrial development plans, regional and city-level development strategies.
- Develop financing mechanisms that enable the scaling up of investments into natural climate solutions.
- Develop clear plans to invest in job creation to support the low-carbon transition.
- Support international partnerships that enable clean technology transfer in key regions that will require investment and capacity building support to stimulate emerging economies as they advance into clean industrial development while ensuring economic growth and social fairness for a just transition.

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No single country in Europe can achieve this alone. We call for strong collective European leadership to stand up for our common European values, capture the opportunities of the technological revolution and deliver a sustainable and inclusive future for all.

Signed by the Co-Chairs of the Global Future Council on Europe

*Miroslav Lajčák, Minister of Foreign and European Affairs of the Slovak Republic*

*Beatrice Weder di Mauro, President, Centre for Economic Policy Research (CEPR), United Kingdom; Professor of Economics, Graduate Institute Geneva, Switzerland*

July 2019

# Global Future Council on Europe: A New Manifesto for Europe

June 2019

This paper has been written by the World Economic Forum's Global Future Council on Europe 2018-2019. The findings, interpretations and conclusions expressed herein are a result of a collaborative process facilitated and endorsed by the World Economic Forum, but whose results do not necessarily represent the views of the World Economic Forum, nor the entirety of its Members, Partners or other stakeholders, nor the individual Global Future Council members listed as contributors, or their organizations.

## Introduction

The world is at a crossroads; Europe is at a crossroads. As the European Union recently held elections to the European Parliament to choose its leaders and as it moves towards defining the agenda for the coming years, the time is ripe to engage in conversations about Europe's future direction.

In this manifesto, we, the members of the World Economic Forum Global Future Council on Europe, put forward our shared vision of a Europe of the future. Not only does this manifesto reflect our ongoing discussions but, more importantly, it offers concrete suggestions that European leaders can take into account and adopt as their own in the next Strategic Agenda and in the formation of the new European Commission. While the main ideas and suggestions outlined in this document are directed at the European Commission and at EU Member States, some recommendations go beyond and are aimed at stimulating multistakeholder action by governments, business and civil society from the broader European family.

# Underlying principles

While politicians, policy-makers, academics and others have responded to the recent rise in Euroscepticism by attempting to define and design a *new* Europe, which addresses popular concerns and presents itself as an attractive way forward, we should first and foremost ask ourselves whether we have even completed the *initial* idea of Europe. Our honest answer is that we have not yet even delivered on the original promise of Europe: to guarantee security and stability, facilitate economic prosperity, and safeguard the rights and freedoms of its citizens. **The first underlying principle of our manifesto is therefore to deliver on the original promises.**

Europe cannot be everything to everyone. It cannot be the leader of every effort, the champion of every issue, at the forefront of every initiative. In fact, most political competencies and financial resources are in the hands of national governments, whereas the mandate and budget of the European Commission are limited. This is by design, of course. Thus, **the second underlying principle is that Europe needs to prioritize its attention and focus on its three core areas: peace and stability, economic prosperity, and social and economic equality.**

Europe is its institutions; Europe is its national governments; Europe is its common values and a way of life. But most of all, Europe is its people. Despite a growing loss of public faith in institutions, Europeans trust the European Union more than they trust their national governments.<sup>1</sup> However, there are also very deep divisions among publics in several countries, and political movements with Euroscepticism as their central platform have strengthened across the continent. Europe needs to address the sources of this discontent clearly, coherently and boldly, and then the institutions and governments of Europe need to determine how to realize these priorities for the people. **People-centricism is the third underlying principle.**

# The “what” and the “how” of Europe

In line with these principles, we recommend that Europe at large and the European Union in particular build on the following three pillars. These should constitute the *highest priorities* of the next Commission. They represent the three most important and most crucial deliveries on which the Europe of the immediate and long-term future should focus. Policy suggestions and legislative proposals should be introduced, adapted and implemented expeditiously to strengthen one or more of the pillars. We present concrete suggestions as to what constitutes a fulfilment of each pillar.

## 1. Europe of peace and stability – because people want to live in peace and safety

Since the earliest steps towards integration were taken in the aftermath of world war, peace and stability on the continent have been the central promises of Europe. Guaranteeing security to the people from both long-existing, traditional threats and new, emerging and even unknown ones is the key responsibility of a continuously successful Europe. In response to the dramatically changing geostrategic environment, European leaders need to take decisive steps towards strengthening Europe's security and defence. To this end, Europe needs to:

- **Ensure that it executes a foreign policy and security policy with the primary goal of securing peace on the European continent**  
European foreign policy should therefore first and foremost concentrate on the immediate neighbourhood, on the forging of strategic partnerships with like-minded partners, and on global conflict prevention to avoid negative spillover effects into the European area.
- **Gradually move towards even more increased collaboration and the pooling of resources and burden-sharing in defence**  
This would both reduce redundant costs and increase the common European strategic advantage. It includes moving forward on smart and flexible funding tools, such as the **European Peace Facility**, ensuring it receives adequate financial and political resources to carry out its mandate.
- **Take further steps to unite Europe's decision-making powers by establishing a task force exploring the creation of a European Security Council**  
The task force should investigate how such a new institutional mechanism could contribute to increasing joint strategic analysis and to reasserting Europe's role globally in preventing and responding to crises and conflicts.
- **Continue actively advocating for and supporting (both politically and financially) a rules-based, multilateral world order**  
This world order would be grounded on regional and national ownership of responsibility and risk.
- **Fully restore Schengen**  
At the same time, Europe needs to implement technical and legislative measures to guarantee the protection of all European external borders.

<sup>1</sup> See Eurobarometer, “Public Opinion Monitoring at a glance: The European Parliament and the expectations of European citizens”, March 2019, available at <https://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2019/planetary-march-ii-2019/on-planetary-insights-march-ii-2019.pdf> (accessed 25 June 2019)

- **Define sustainable, realistic and fair migration and refugee policies**  
They must address the demographic needs of the European continent, not undermine the national sovereignty of Member States, and respect all international commitments.
- **Establish and strengthen joint instruments to protect citizens from the physical threat of terrorism and cross-border crime**
- **Invest financially as well as politically support new resources and instruments to fight against cyberthreats, cybercrime and other emerging dangers associated with technological progress**  
This support must also apply to fighting the spread of disinformation and election manipulation, while respecting human rights and individual liberties.

## **2. Europe of economic prosperity and high quality of life – because people want to live a good, prosperous life**

Securing a stable, sustainable and more prosperous future has been the promise of an integrated Europe from its inception. It has been one of the main drivers of ever-deeper European integration, and often represents the most important aspect in the European Union's appeal to citizens. Only a Europe that continues to provide for environmentally sustainable economic growth and an increase in quality of life can be successful in the eyes of the people. To this end, Europe needs to:

- **Fully complete the single market**, including the single market for services, energy and capital, as well as the **Digital Single Market**, and continue to implement **European competition policy** in the interest of European consumers, protecting them from special interests
- **Expand the European entrepreneurial ecosystem** by creating a **European Tech Venture Fund** specifically focused on mid-cap companies to not only increase funding and provide patient capital but also to remove policy and regulatory obstacles to reaching scale
- **Strengthen the euro area** through more risk-sharing combined with market discipline, including completing the Banking Union, mitigating the "doom loop" of banking and sovereign crises, and establishing a European Deposit Insurance
- **Equip the Eurozone budget** with meaningful convergence and stabilization functions
- **Create a common safe asset**, which does not require mutualization, but does prevent destabilizing capital flows across the euro area
- Continue to lead the global transformation towards a **green and climate-neutral economy** in line with Paris Agreement objectives, and align climate action in key areas, such as industrial policy, finance and research
- **Adapt education and skills training today to the labour market of tomorrow**, inter alia by regularly sharing best practices in lifelong learning programmes and developing Europe-wide platforms for information sharing on reskilling programmes and labour market adaptation
- Prepare the next generation for the **Fourth Industrial Revolution** by investing heavily in education for youth in science, technology, engineering and mathematics (STEM)
- Work on harmonizing taxation standards, particularly as pertains to the digital area, and continue to lead in

**effective regulation**, especially around **privacy and the ethical use of new technologies**

- Devise a package of economic, financial and social measures with a well-designed composition, much like the grand bargain that was achieved at the Bretton Woods conference in 1944 as, ultimately, healing the rifts and rebuilding trust in Europe requires such a package. With the current sense of urgency, we call for a **European Bretton Woods** and to initiate a dialogue on how to take this further.

## **3. Europe of equality – because people want fairness and respect**

The idea of belonging and being respected by others lies at the heart of both individual and collective self-worth. Europe's democratic values and insistence on human rights, dignity and tolerance must be felt in people's everyday lives. To this end, Europe needs to:

- **Increase the pace of socio-economic convergence** between Member States by stepping up efforts to reduce differences in key policy areas, such as social protection, living conditions and inequalities
- **Ensure decisions and rules** (including budgetary, procedural and institutional decisions) **apply equally to and are respected by all Member States and all citizens** and, where they occur, remedy violations with available instruments, irrespective of size, wealth, status, geography or political affiliation
- **Lead by example** on the institutional, intergovernmental and political levels, by modelling understanding and mutual respect and working to eliminate the **perception of second-class citizenship** (Europe-wide or nationally), for instance by guaranteeing the equal availability and quality of **food, medicine and other goods** for all Europeans
- Make sure that the **European way of life stands for equal opportunities**, while being mindful that not everyone benefits from European integration equally and in the same way, and elaborate pragmatic ways that reach more segments of societies (e.g. Europe's most tangible benefits, such as the abolition of roaming and open borders, are very visible among people who travel frequently but fail to reach those who do not travel)
- **Move towards a Europe-wide convergence of labour conditions** that include working hours, pension age, maternity and paternity leave, unemployment insurance, etc.
- **Foster civic education and participation in the political process** for all generations, nationalities and segments of society.

# Spreading the message

Narrowing down Europe's ambitions might sound limiting or even impossible given the many areas, all of them important, in which Europe has already made a positive impact on the lives of people. But aside from the underlining principles, this approach derives from the following convictions: 1) every policy suggestion or legislative proposal, if broken down to why it should matter to people, can actually be classified within one of these pillars; and 2) many of the goals and aims predefined for Europe can actually be by-products and derivatives of the successful fulfilment of these pillars.

In this way, it follows that creating a common European identity, which has been the goal of the EU for several decades, should not be a goal in itself, but that it will naturally follow and develop in people's minds if they can perceive that Europe delivers for them. Similarly, making Europe a relevant global political player will come as a natural result of internal political and economic strength. The pillars are the drivers that allow us to move forward. And if we manage to drive Europe in this direction, at the end of the road, the things we have been striving for – global influence, projection of values, European identity – are a natural outcome.

If we see change as a process, then identifying **what to do** is step one, identifying **how to do** it is step two. There is another step though, which is **spreading the message**. The vision needs to be delivered to the people. And the main message of this manifesto is simple: these are the three things we want to achieve for you – **peace, prosperity and equality**. This is what we are going to work on in Europe.

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