

A World in Flux

Towards a New European Architecture

TABLE OF CONTENTS

A WORD FROM THE EDITOR..... 5

A SECURE EUROPE

**TOWARDS A STABLE AND PEACEFUL EUROPEAN SECURITY ORDER: THE
ESSENTIAL ROLE OF THE TRANSATLANTIC BOND..... 7**

by Mircea Geoană

**PUTTING THE RULE OF LAW AT THE CENTER OF A NEW EUROPEAN
SECURITY ARCHITECTURE..... 17**

by Christoph Heusgen

THE ROAD TO A RENEWED EUROPEAN SECURITY ARCHITECTURE..... 24

by Marta Dassù and Roberto Menotti

**WHAT THE WORLD NEEDS NOW – VIEWS FROM THE OSCE SECRETARY
GENERAL..... 33**

by Helga Maria Schmid

**ENSURING A DIGITALLY SECURE EUROPE: COMBATING MIS- AND
DISINFORMATION IN THE COMPREHENSIVE NEW EUROPEAN
ARCHITECTURE 41**

by Elliot Gerson

A RECONSTRUCTED EUROPE

WEAPONS, WEAPONS, WEAPONS, AND TIMELY FINANCIAL SUPPORT48

by Natalie Jaresko

A WORLD IN FLUX - TOWARDS A NEW EUROPEAN ARCHITECTURE56

by Maroš Šefčovič

THE GREAT MIGRATION OF EUROPEANS TO ONE EUROPE65

by Sergiu Manea

FREEDOM AND PROSPERITY IN EASTERN EUROPE70

by Dan Negrea, Joseph Lemoine, and Yomna Gaafar

A NASCENT EU GEOPOLITICAL LEADERSHIP79

by Karel Lannoo

YOUNG ASPEN LEADERS

**A COMPREHENSIVE NEW EUROPEAN ARCHITECTURE: TECHNOLOGY,
DEMOCRACY AND SECURITY89**

by Gerardina Corona

LEARNING TO PLAY IN THE GREAT POWERS LEAGUE 100

by Blas Moreno

**A PARLIAMENT OF THINGS TO THROW AT HYPEROBJECTS: THE WORLD AS
IT IS AND THE FUTURE OF EUROPE 108**

by Alexandru Dincovici

A COMPREHENSIVE NEW EUROPEAN ARCHITECTURE 117

by Sami Biasoni

BUCHAREST PAPERS

GROWTH OPPORTUNITIES AND CONSTRAINTS IN EAST-CENTRAL EUROPE AFTER THE WAR IN UKRAINE..... 128

by Clara Volintiru

THE BLACK SEA - A REGIONAL APPROACH 137

by Alina Inayeh and Doru Costea

WEST AND TECH. RAISING THE TECHNOLOGY AGENDA AT BUCHAREST FORUM 2022..... 149

by Radu Puchiu

A EUROPEAN INVESTMENT MINDSET - MONEY FOR PEOPLE AND A RETURN TO COMMUNITIES..... 154

by Ionuț Stanimir

A WORD FROM THE EDITOR

To capture a world in flux is a Don Quixotesque endeavor. To search for solutions to each and all the crises this flux generates, or that generated this flux, is no less a daunting task. To create a product that aims at both becomes an act of idealism, courage and hope. We took this challenge, nevertheless, with the arduous desire to make us all look beyond the immediate, while managing it, and try and shape the future, while dreaming of it. A future to be shaped by our principles, values and strengths.

A New European Architecture is the answer to the war in Ukraine, as it is to Europe's struggle with multiple crises – economic pressures, illiberal tendencies, the good and the bad faces of technology advances, institutional adaptation to the changing environment, and, not the least important, military and cyber threats. While we did not pose any question, each of the contributions in this publication offers plenty of excellent answers. More importantly, each and all authors are offering a VISION of a renewed, empowered and strong Europe.

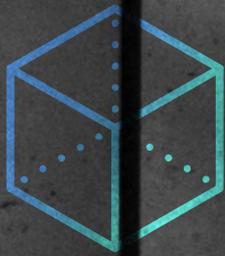
The context requires a strong emphasis on security, in all its complexity – military, cyber, AI, lawfare, psychological war. The first part of the publication comprises essays that dwell excellently into these problems, and suggest possible solutions and approaches. The current debates on strategic autonomy, the future of trans-Atlantic relation, European defense, regional security are all to be found in these contributions, as well as convincing arguments for best course of action.

Our intention to look beyond the immediate has been responded to with ideas for a Reconstructed Europe, the Europe decades after the war would have ended. A reconstruction that focuses on Ukraine, which suffers the horrors of the war, as much as it does on the European Union, so it becomes the power that can ensure stability, peace and prosperity throughout the entire continent, and beyond. A reconstruction based on a joint effort to have Ukraine succeed, on increased resilience, better economic integration, swifter yet more powerful institutions, and an increased sense of Europeaness.

In the process of creating this publication we understood that a snapshot is not enough, so this is only the beginning of the debate in written form. We also understood the value of diversity of approaches, and opinions, as the section of essays written by Young Aspen Leaders superbly reveals, so this is only the start of search for voices from all around. And, most importantly, we understood the power of a vision that makes seasoned high-level officials as well as professionals in early stages of their career want to write about A New European Architecture, so this is the first endeavor to contribute to advance this vision.

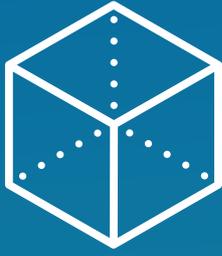
We will continue.

*Alina Inayeh
Editor "A World in Flux. Towards a New European Architecture"*



A

SECURE
EUROPE



TOWARDS A STABLE
AND PEACEFUL
EUROPEAN
SECURITY ORDER:
THE ESSENTIAL
ROLE OF THE
TRANSATLANTIC
BOND

by Mircea Geoană



Mircea Geoană is NATO
Deputy Secretary General.

Europe faces the most complex and unpredictable strategic environment in decades. Russia's brutal war of aggression against Ukraine has brought full-scale conventional war back to Europe and undermined the post-Cold War European security order. Its aggressive actions have increased insecurity in the Euro-Atlantic area and negatively affected both global stability and the rules-based international order. More broadly, we are currently witnessing the transformation of the international security environment: the global balance of power is shifting; strategic competition is on the rise; and phenomena like climate change mean that we will face more frequent shocks and instability.

In light of these monumental changes, it is especially important for us, as European and North American Allies, to articulate a positive vision for the future. NATO Leaders set the parameters for this vision at the NATO Summit in June 2022, when they adopted the new Strategic Concept. Next only to our founding Treaty, the North Atlantic Treaty, the Strategic Concept is NATO's most important guiding document. In the 2022 Strategic Concept, NATO Leaders clearly affirmed that "we want to live in a world where sovereignty, territorial integrity, human rights and international law are respected and where each country can choose its own path, free from aggression, coercion or subversion."

Ensuring that these crucial principles are reaffirmed and respected in the Euro-Atlantic area is essential to guarantee our collective security and freedom and to contribute to a more peaceful world. To do

that, we must preserve and strengthen the transatlantic bond between Europe and North America, which remains essential to our individual and collective security.

We particularly need to work together to understand the changing strategic landscape: and to prepare for this more contested world by investing in our individual and collective resilience and by preserving, harnessing, and investing in our unique collective strength as a transatlantic Alliance.

Understanding the Changing Strategic Landscape

Russia's full-fledged invasion of Ukraine in February 2022 shattered peace in Europe and ruptured the European security order by fundamentally violating the principles that at the heart of this order: territorial integrity, self-determination, and the right of states to choose their own security arrangements. The way in which Russia has fought this war has featured systematic violations of international law, indiscriminate attacks against civilians and civilian infrastructure, as well as reckless nuclear sabre-rattling and cynical attempts to disrupt global energy and food supply chains. In 2022, the Allies concluded in the Strategic Concept, that Russia poses the most significant and direct threat to Allies' security and to peace and stability in the Euro-Atlantic area. Its actions also threaten the broader rules-based international order and undermine global stability.

Indeed, Putin's regime unprovoked and unjustifiable war against Ukraine is the latest, most egregious, example of over a decade of growing Russian destabilising behaviour against its neighbours and the broader post-Cold War European security order. For years, Putin's regime has acted to advance its ambitions to upend that order and bring us back to a world of spheres of influence and a zero-sum understanding of security. For over a decade, we have seen from Russia deliberate efforts to use military and non-military means to undermine its neighbours' sovereignty and territorial integrity, along with attempts to destabilise countries in our broader neighbourhoods – not only to our East but also to our South. Russia has also engaged in provocative actions against NATO Allies, including through cyber and hybrid-attacks, disinformation campaigns, as well as by carrying out chemical attacks and assassinations on Allied territory.

This deterioration in the European security order has also led many states to rethink their traditional security policy. Finland and Sweden have decided to apply to join NATO. At the Madrid Summit, Allied Heads of State and Government invited them to join the Alliance. Their accession will make NATO stronger, and Finland and Sweden safer. Other European states are seeing new debates about their security policy and posture.

Russia's aggressive actions are part of a broader trend. The global geopolitical and geo-economic distribution of power is changing, fuelling the rise of strategic competition. Authoritarian powers, such as Russia and China, are actively seeking to challenge the rules-based international order. They are seeking to promote alternative models of global authoritarian governance. They do this to advance standards and rules that benefit authoritarian technologies, policies, and interests. China's growing influence and increased assertiveness on the world stage is a key driver behind the return of power politics and great power competition. This is why our Strategic Concept recognises that "China's stated ambitions and coercive policies challenge our interests, security and values" and posits the need to address the systemic challenges it poses to Euro-Atlantic security.

So we need to adapt to this rising strategic competition. This means recognising that competitors increasingly use military and non-military tools in an integrated way. They do this in order to contest the rules-based international order and undermine global and Euro-Atlantic security. They seek to exploit the growing interconnectedness and digitalisation of our societies, economies and militaries to achieve their strategic objectives.

They are also creating and using one-sided dependencies and economic vulnerabilities to increase their leverage, constrain our policy choices, and thus undermine our security. Russia's energy blackmail in the context of its war against Ukraine is a powerful example: it shows how one-sided dependencies and over-reliance on the import of key commodities, such as fossil fuels, can be used to gain political influence.

Going forward, economic resilience, including by diversifying investment and supply chains, needs to be part of our business model.

The search for economic resilience can also further strengthen transatlantic trade and investment. The US is emerging as a major supplier of Europe's energy; while North American and European companies are stepping up to provide their expertise as part of the energy transition.

Looking to the future, we should expect the use of political, economic, energy, cyber, information and other hybrid tactics to continue to grow in sophistication, scope and reach. The difficulty is that these security threats and challenges are diffuse. They are often not bound by geography the way conventional security and military challenges are. Such tactics – even if they are planned and carried out on the other side of the world – can and will have implications for Euro-Atlantic security.

At the same time, pre-existing threats and challenges to our security have not disappeared. Terrorism remains the most important asymmetric threat to NATO. The past decade has taught us that we need to pay close attention to how this threat evolves and endures. In particular, we will need to keep a close watch to the tactics and technologies of terrorist actors. Ongoing instability, conflict and fragility in our broader neighbourhood continues to fuel terrorism, violent extremism as well as transnational criminal activities.

In addition, climate change will affect Euro-Atlantic and global security in complex ways. It will fundamentally alter our political, economic, and security environment, creating new dilemmas for those seeking to maintain the security of our citizens in Europe and beyond.

Responding to this more complex security environment requires us to look at security through a broader lens, including by focusing on how to better use all instruments of power, both military and non-military, to protect and defend our security, freedom and democracies. Just as importantly, we must continue to enhance our own resilience against malign interference and hostile hybrid actions.

Building our Individual and Collective Resilience in a Competitive World

In a world characterised by fragility and strategic competition, we need to step up our resilience.

Through Article 3 of the Washington Treaty, resilience is in NATO's DNA. And in recent years, NATO has substantially stepped up its work on resilience. Since 2016, NATO supports Allies' efforts to meet seven baseline requirements for national resilience, which address critical functions such as the continuity of government as well as the provision of health care and critical infrastructure services related to transport, communications, energy, food and water. In 2021, Allies agreed to build on that work. They pledged to develop resilience objectives to inform nationally tailored resilience goals and implementation plans, based on clear and measurable Alliance-wide resilience objectives. Concretely, this means NATO will be able to provide better advice to Allies on their national resilience efforts, including on how they support NATO's collective defence. We are also increasing political consultations and coordination on these topics. In this vein, NATO is stepping up consultations between Allied National Security Advisers and national Senior Resilience Officials, to address issues such as strategic dependencies and resilience. Addressing these risks and vulnerabilities means being ready to work across our governments. That is why we recognise how important it is to have a whole-of-government approach.

The Strategic Concept also highlights that we must work more together when it comes to ensuring our energy security and invest in "a stable and reliable energy supply, suppliers and sources." Even though traditionally we have not examined energy policies through the lens of national or collective defence and security, it is clear that, to prepare for growing strategic competition, we need to better understand the potential impact of key economic policies on our security, including in the energy realm, and take active steps to prevent and mitigate risks.

Here too, we build on a solid basis: NATO has been working on energy security since 2008, facilitating the sharing of intelligence, best practices as well as consultations between Allies to enhance our shared awareness of energy developments with security implications. We also work to support the protection of critical energy

infrastructure and to ensure reliable energy supplies to the military. At the same time, we are also taking a deliberate approach towards increasing our ability to understand, prepare for and mitigate the impact of climate change on our security. There are clear links between our work on energy security and climate security: improving energy efficiency, investing in the transition from fossil fuels to clean energy sources and leveraging green technologies can help us enhance our resilience, mitigate strategic vulnerabilities and contribute to combat climate change.

Finally, we need to continue to deepen our broaden our understanding of resilience--- because we know we need to protect not only against malign interference and disruptions of our critical physical and digital infrastructure, but also against similar attempts against our democratic institutions, free societies, independent media and citizens. This underscores the importance of working together with other like-minded partners and international organizations, particularly the European Union, to seek synergies and maximise our respective competencies and toolboxes.

Preserving and Investing in our Competitive Advantages

Another critical line of effort to ensure we are able to deal with growing strategic competition. First and foremost, this means continuing to strengthen our own unity, cohesion and solidarity as a transatlantic community. Europe and North America form a unique community bound together by common values and interest. We represent nearly one billion people and half of the world's GDP and military strength. So, when we act together, we are in a better position to shape the international environment and stand up for the rules-based international order and the democratic values we share. The joint efforts which the transatlantic community and its closest partners have made to support Ukraine's right to self-defence and impose costs on Russia in response to its brutal war and profound violations of the principles set in UN Charter is a case in point. As our world grows in complexity and instability, strengthening our transatlantic bond will be even more important: a source of stability and peace.

NATO—as the manifestation of that bond—continues to play an essential role. It provides an indispensable platform for Europe, North America to exchange information and intelligence, build shared situational awareness, as well as consult, coordinate, and act together to tackle all matters related to individual and collective security. This is why investing in NATO and strengthening its political role is an important way to future-proof the transatlantic bond.

Second, we need to cultivate, deepen and expand our partnerships. We live in a complex and interconnected world, where many of the threats and challenges we face are global in scope and reach. This means that ensuring a stable and peaceful European security order requires us to work closely with partners in our immediate neighbourhood. In particular, we will need to support their efforts to enhance their resilience to malign interference and attempts at coercion and destabilisation. Sustained political dialogue and practical cooperation with the European Union on these issues can be particularly crucial. It will contribute to enhancing security and stability in our broader neighbourhood. At the same time, in a more competitive world, we also need to look further afield. We will need to strengthen our cooperation with like-minded partners across the globe to address shared security challenges, in particular those stemming from growing strategic competition. NATO's increased dialogue and cooperation with our partners in the Indo-Pacific—Australia, Japan, New Zealand, and the Republic of Korea, whose leaders took part in our Madrid Summit in June—is very important in this respect.

As security issues are increasingly non-traditional, it is also crucial to engage and partner with our civil society, private sector and expert communities. They are key stakeholders on issues such as promoting societal resilience. Another key area of engagement and cooperation is technological innovation and the work to preserve and strengthen our technological edge. This is particularly important as, in a context of growing strategic competition, we should expect our technological advantage to be more aggressively and continuously challenged. In this sense, retaining our technological edge and ensuring the ability to set norms, principles and standards for the use of emerging and disruptive technologies will play an essential role in both ensuring our defence and security and preserving a democratic rules-based international order.

To remain ahead of potential competitors, we must build stronger synergies between what some call the “triple helix”: governments, the private sector and academia. We must support innovation eco-systems across our countries to foster collaboration on developing and adopting emerging and disruptive technologies. This is exactly why we have decided to establish the NATO Innovation Fund and the Defence Innovation Accelerator for the North Atlantic (DIANA). The NATO Innovation Fund, launched at the 2022 Madrid Summit, will invest 1 billion euros over the next 15 years in innovative start-ups and funds developing dual-use emerging technologies that can be utilised to enhance our security and defence. It aims to concretely harness civilian innovation to meet our security needs. DIANA will work with a network of innovation sites across the Alliance. It will work with start-ups, industry, and universities to foster transatlantic cooperation and help us to better identify and adopt most cutting-edge technological solutions to meet our security and defence requirements.

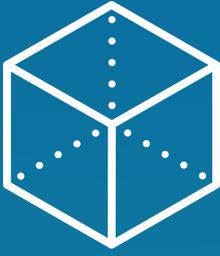
Ultimately, we need to remain confident in the strength of our democratic values and open societies. Strong democracies and free societies remain a key competitive advantage. They are a unique source of dynamism, resilience, innovation and creativity—all essential in successfully tackling a more complex and unpredictable world. Our values are not only at the heart of who we are; they are also an enduring source of strength.

Looking to the Future

Our current security environment is both volatile and dangerous. The norms and principles that underwrote the post-Cold War European security order have been systematically violated by Russia and tested by rising strategic competition. Yet, we should not resign ourselves to a “new normal” of conflict, predatory behaviour and instability.

Looking to the future, we need to work towards bolstering the European security order that ensures our collective freedom, security and stability. This should continue to be based on our shared democratic values and on the principles of territorial integrity, peaceful cooperation, and respect for the sovereignty of nations. It should also be inherently resilient to the growing risks posed by rising strategic competition.

This will require investing in our collective and individual resilience and harnessing and building on our collective strengths. We need to preserve and strengthen our transatlantic bond, as an anchor of solidarity and stability in a complex world, with NATO at its core. We also need to step up our partnerships in our neighbourhood and beyond, including with the European Union, while reaching out more to our scientists, technologists, entrepreneurs, civil society and academics.



Putting the Rule of Law at the Center of a New European Security Architecture

by Christoph Heusgen



Christoph Heusgen is the Chairman of Munich Security Conference.

“Above all, Europe means peace. [...] An integral part of our European way of life is our values. The values of freedom, democracy, the rule of law.”¹ In 2016, then President of the European Commission, Jean-Claude Juncker, underlined the close link between the European Union’s (EU) role as a peace project and the values of the international rules-based order. The European security architecture has been built on the firm belief in the rule of law, rather than the law of the strongest. For decades, it has relied on peace through cooperation, coupled with a joint commitment to democracy and human rights. Russia’s invasion of Ukraine on February 24 has put an end to the longest lasting period of peace on the continent. Moscow’s stark and brutal violation of international law is forcing Europeans and Americans to rethink how peace can be restored and maintained through a new comprehensive European security architecture.

This architecture must be built on an even more forceful commitment to the rules-based international order and the respective norms and principles. To uphold this commitment, Europe and the US will have to forge a broad international coalition, including traditional partners in the West, but also rising powers in the Global South. The fight against impunity and for accountability should underpin any new European security architecture. For the EU to be at the forefront of this rules-based architecture, it will have to

¹ Jean-Claude Juncker, “State of the Union Address 2016: Towards a Better Europe – a Europe that protects, empowers and defends,” Strasbourg: European Parliament, September 14, 2016, <https://perma.cc/2L-CN-7SBJ>.

become a more capable security player and stand ready to defend these rules and values at home.

Forge an International Coalition to Defend the International Rules-based Order

Russia's all-out war against Ukraine is the worst aggression in Europe since the end of World War II. It has overthrown the post-Cold War order and by violating the territorial integrity and sovereignty of Ukraine, it has trampled on the Charter of the United Nations (UN). Russia has already demonstrated its disrespect for the principles of the rules-based order on various occasions in the past, with the annexation of Crimea, but also by ruthlessly violating international law in Syria, Libya, and in Eastern Ukraine. In Syria, for instance, it was directly involved in the indiscriminate bombing of civilian targets, including medical facilities, and of densely populated areas, without a specific military objective. On top, Russia seriously violated its obligations under the Chemical Weapons Convention. Furthermore, according to UN reports, Kremlin-linked mercenaries, such as the Wagner Group, have been involved in grave human rights abuses in already fragile settings, including in Mali and in the Central African Republic. The invasion of Ukraine is only the latest and most brutal example for Moscow's attempt to rewrite the international rule book and to aggressively enlarge its sphere of influence.

The international rules-based order has to remain the backbone of a comprehensive new European security architecture. Europeans, together with their American partners, need to stand tall in their commitment to uphold this order, which includes strong and uncompromising support for international law and its foundational texts, the UN Charter, and the Universal Declaration of Human Rights. While transatlantic cooperation is key, an effective coalition upholding international law, humanitarian priorities, and human rights, needs to be global and has to include representatives of the Global South. As German Chancellor Olaf Scholz emphasized in his speech at the 77th general debate of the UN General Assembly, a united stance against Russia's aggression also means "that the up- and coming, dynamic countries and regions of Asia, Africa, and Southern America must be given a stronger political voice on the

world stage. That is in all of our interests as it gives rise to joint responsibility and greater acceptance of our decisions.”²

A look at the past months shows that we are still some way remote from this united stance and sense of joint responsibility. US and European policymakers were baffled when seventeen African countries abstained from the vote on a resolution condemning Russia’s invasion of Ukraine in an emergency session of the UN General Assembly in March. A month later, nine African countries voted against the UN General Assembly resolution to suspend Russia from the UN Human Rights Council while twenty four of them abstained.

Building a broad alliance will thus take time and joint effort. It will also require concerted communication to counter misleading propaganda and disinformation. In large parts of the Global South, Russian and Chinese narratives, according to which the US and NATO are at least in part responsible for the war in Ukraine, resonate. Representatives of the US and European countries have to use every opportunity to emphasize that the current conflict is not an extension of the Cold War, with the “East” and the “West” as opposing poles, forcing the rest of the world to take sides. The fault lines lie between those who stand ready to defend the rules-based international order and those who seek to undermine it; between those that defend the territorial integrity of nation states and those that brutally violate it.

Representatives of the Global South often accuse the “West” of double standards when it comes to upholding the rules-based international order. They recall the invasion of Iraq of 2003, where the US itself violated international law and the territorial integrity of a country. They also criticize the US and Europe for turning a blind eye to brazen human rights violations, such as those committed during the 1994 Rwandan genocide. It is all the more important that Europeans, and above all Americans, acknowledge that they, too, are subject to the rule of international law and that it is the guiding principle for all their actions. Gaining the trust and support of countries in the Global South also means that Europe and the US will need to recalibrate partnerships and engage with them at eye level. Dedicated bilateral or

² Olaf Scholz, “Speech by Olaf Scholz, Chancellor of the Federal Republic of Germany, at the 77th general debate of the United Nations General Assembly, New York, 20 September 2022,” New York: UN General Assembly, September 20, 2022, <https://perma.cc/S3FW-KULG>.

multilateral security dialogues could help prepare collective responses to future violations of the rules-based order in Europe and beyond.

Lay the Foundation to Prevent Future Crimes of War and Aggression

Europe and the US will have to ensure that, once the war in Ukraine ends, Russia will not endanger the sovereignty and territorial integrity of any country in Europe again. These principles have been crucial for European peace and security in the past, and they will remain so in the future.

Europe has to act as a driving force behind accountability and the fight against impunity. In this regard, Europe could help ensure that Russian crimes committed during the war against Ukraine will not be left unprosecuted. According to Erik Møse, Chair of the Independent International Commission of Inquiry on Ukraine, Russia has committed war crimes in Ukraine, including through the deployment of explosive weapons in populated areas, ill-treatment and torture during unlawful confinement, as well as sexual and gender-based violence.³ There should be no impunity for Russia's war crimes and for violating the fundamental principles of territorial integrity, as laid down in the UN Charter. A strong stance against impunity would also be vital to prevent others from doing the same. In early October, the Ukrainian President Volodymyr Zelenskyy called for a Special Tribunal for the Punishment of the Crime of Aggression against Ukraine. Such a Special Tribunal could fill the loophole that currently exists, supplementing the prosecution of the International Criminal Court (ICC). While the objective is clear, we have to figure out how to implement such a Tribunal. In this regard, we have to address important questions: What could be the legal basis of such a tribunal? What are the prospects of a Resolution of the UN General Assembly to this end? Should the tribunal focus solely on the crimes committed by Russia or should it have a wider mandate? Europe can play a vital role in answering these questions and engaging partners in the debate and Germany should assume a leading role.

³ United Nations, "Independent International Commission of Inquiry on Ukraine to the Human Rights Council: War Crimes Have Been Committed in Ukraine," Press Release, September 23, 2022, <https://perma.cc/UB9V-W7BM>.

Second, there has to be stronger and more credible deterrence to prevent the violation of territorial integrity and sovereignty in the future. Europe and the US have to discuss how a ceasefire with Russia can be secured once the war in Ukraine ends, including the provision of sufficient and credible security guarantees to Ukraine. This would also be crucial to ensure that the sovereignty and territorial integrity of other post-Soviet countries is respected. In any effort to secure a ceasefire, the participation of the US would be indispensable. But even so, the American pivot to the Pacific will continue and the pressure on Europeans to play a leading role in ensuring stability on their own continent will increase. More capable European countries, ready to assume greater responsibility, will thus be a crucial element of a comprehensive new European security architecture.

Defend And Promote the Rule of Law at Home

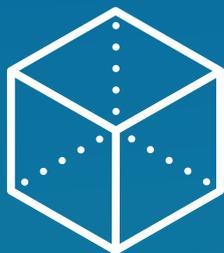
The EU and its member states can only be a credible driving force behind the rule of law and accountability if they promote both at home. These values are firmly embedded in the EU's legal foundation and serve as fundamental guidelines for its actions, both internally and externally. However, during the last years, several EU member states, most notably Poland and Hungary, have repeatedly violated these common values and the rule of law. Poland's democracy has been backsliding since the Law and Justice (PiS) party has taken power in 2015, introducing measures compromising in particular Poland's judicial independence. Hungary, for its part, has passed legislation against migrants and the LGBTQ community, restricted the independence of the media and the space for opposition parties and politicians, and consolidated control over the judiciary since 2010. In 2014, Prime Minister Viktor Orbán already outlined his vision of creating an "illiberal democracy" in Hungary.

While the democratic backsliding of Poland and Hungary has been going on for years now, the EU has not been able to effectively curb these developments. To become the engine behind a comprehensive new European security architecture, anchored in the rules-based international order, the EU has to take a stronger stance against its own member states that do not abide by the standards of good governance and the rule of law. This will imply a more effective use of the EU's financial rule of law conditionality mechanisms, but also additional steps to sanction the violation of democratic

principles and fundamental values. In this context, the EU should also look more closely into possibilities of disbursing EU funds directly to civil society organizations and other non-governmental organizations, who work hard to support democracy and the rule of law in Hungary, but are systematically sidelined or discriminated against by the Orbán government.

Prepare to Face New Realities

Russia's war against Ukraine has marked a *Zeitenwende*, a watershed moment, for the international rules-based order and for the European security architecture. To meet the realities of a more confrontational regional order and prepare for future eventualities, Europe and the US have to develop a new model for peaceful coexistence on the continent. A reinforced commitment to the rules-based order should be the very foundation of this new security architecture. Upholding the rules-based order will require forging a broad coalition, including partners from the Global South. Prosecuting crimes of war and aggression will be a necessary condition for restoring peace on the continent, and credible deterrence regarding the violation of its founding principles will be key to maintaining peace. This does not only mean defending these principles against external violations, but also doing more at home.



The Road to A Renewed European Security Architecture

by Marta Dassù and Roberto Menotti



Marta Dassù is Senior Advisor for European Affairs, The Aspen Institute and Editor-in-Chief of *Aspenia*, Aspen Institute Italia.



Roberto Menotti is Editor in Chief of *Aspenia* online, Deputy Editor of *Aspenia* and Senior Advisor for International Activities, at Aspen Institute Italia.

The concept of a European “security architecture” has been most often a somewhat vague topic for periodic official statements on the margin of international summits or for passionate academic discussions. However important as a sort of “infrastructure” for diplomacy, defense planning and even regular economic exchanges, it is not perceived by most European citizens as a primary concern. Until a major crisis erupts – which is precisely what we have witnessed since February 24, 2022.

The aftershocks of the Russian aggression against Ukraine will have, in fact, structural and long term consequences on security arrangements across the Old Continent and even beyond.

NATO’s present and its future

NATO has been revitalized, refocused on its traditional “East-first” tasks, and further strengthened politically by the (unexpected) application by Finland and Sweden. Not only has the Alliance become once again the core of the security policies of its members, but the broader Transatlantic bond has been reinforced – with potential benefits beyond security and defense in economic and technological matters that remain particularly controversial. Despite the return to a major emphasis on securing the Eastern borders vis-a-vis Russia, this new trend implies a renewed NATO : indeed, the Alliance still needs to turn

“more European” in the sense that the American commitment cannot be the solution to all its collective problems.

In particular, in tackling the complex issue of the Russia-Ukraine war, various forms of military support to Kyiv (largely a US contribution) are proving crucial to countering Moscow’s aggression but are just part of the answer, as there is an immediate humanitarian challenge to be addressed and a costly reconstruction task ahead. In addition, the costs of international sanctions on Russia are being incurred largely by the European members of NATO, but this is not an arbitrary decision made in some secret war room; instead, it is the logical consequence of the high level of (past) interdependence of important European economies with Russia. The combination of these factors means that we are not even discussing a traditional “burden sharing” issue when it comes to Ukraine’s needs, but rather an objective asymmetry in the exposure of various allies. In turn, this requires more effective and more coordinated efforts especially by the Europeans.

An additional consideration affecting allied attitudes toward Russia is deterrence in the widest sense. By its very nature, deterrence (conventional as well as nuclear) is based on credibility (i.e. political will) as much as on capabilities; therefore, the United States looks at the Ukraine crisis in a very broad perspective, knowing full well that each move is being closely monitored and evaluated also in Beijing and elsewhere.

If the European members of the Alliance wish to make their own perspective relevant, they have to learn some hard lessons from 2022 in terms of capabilities, the resources needed to acquire them and the public support at the national level for a more active security policy down the road.

As Julian Lindley-French recently put it, “the focus should be on developing capabilities across the future war mosaic of hybrid, cyber and super-fast hyper war. This would fill the gap between Europe’s conventional and nuclear deterrents, which going forward will take on an increasingly important role in deterrence. That must be complemented by a demonstrable commitment to robust political cohesion, and resilient decision-making in an emergency” (<https://aspensiaonline.it/is-europe-self-deterring/>).

The crucial role of deterrence is closely linked to the future of NATO as the main pillar of stability in a very broad geographical setting. Even the prospect of a negotiated solution to the Russia-Ukraine war hinges on securing Ukraine's borders and preventing a repeat of 2014 or 2022 – otherwise, the current efforts will be seen as a waste of lives and treasure. Any credible guarantee will only be as valuable as the political cohesion among NATO members; in other words, it will truly be a collective guarantee. This is a basic premise of any future European security architecture.

Despite the unmistakable centrality of the Russia threat in the short and probably medium term, the Alliance will also continue to tackle what was traditionally known as the Southern front. The Middle East and North African (MENA) region remains rather fragmented and characterized by various sources of instability, although there are increasing mutual influences between MENA and the Persian Gulf as well as the Sahel. Moreover, Russian presence in Libya and Syria connects the Eastern and Southern fronts. In other words, while risks and threats can easily travel in all directions, there is no overarching security framework, much less an institutionalized forum for security consultation and cooperation. Yet, disengagement is not an option for most NATO members, as it would only mean relinquishing the limited forms of influence (mostly indirect) that they can exercise. Thus, this long and fragmented Southern neighbourhood continues to affect Europe in many ways.

From the Alliance's perspective, the current priorities include ensuring the safety of crucial maritime routes, enhancing energy security, but also dealing with the repercussions of the food crisis and the green transition on several countries of the Southern shore and beyond.

It is an extremely diverse array of challenges, risks and threats, to which we can add the renewed importance of the Black Sea and the unfinished business in the Western Balkans – both sectors that are directly linked to the Mediterranean as a whole.

The EU's ambitions, limitations and potential

The EU is facing a moment of truth after having stated its growing ambitions as a “geopolitical actor” and a more “sovereign” entity on the world stage. In reality, terms such as “energy sovereignty” or “technological sovereignty” are not truly self-explanatory and can even be misleading, given that both energy networks and technological innovation require transnational links – they are mostly about managing interdependence rather than exercising sovereign prerogatives. Beyond legal definitions or Weberian “ideal-types”, sovereign attributes are actually a matter of degrees.

The same can be said of the expression “strategic autonomy” (introduced in official documents almost a decade ago), which has caused some tension at the Transatlantic level and actually begs clarification: after all, when applied to defense efforts the concept inevitably seems to imply a form of competition vis-a-vis NATO, if not outright disengagement from NATO commitments.

American counterparts – both in government and in the expert community – are understandably alarmed especially in light of the well known fact that “there is only one set of resources” and those devoted to defense by the Europeans are limited indeed.

At times, these declaratory policy exercises – however well intentioned – seem to have a largely motivational goal, prodding EU governments to allocate more resources while also making a consistent effort to persuade national public opinions of the value added of integration. Yet, it would be wise to focus, first and foremost, on **improved collective effectiveness, capacity to act, and resilience**. These features are a precondition for autonomy, but do not preclude or hinder the ongoing cooperation at the Transatlantic level. A more effective, capable and resilient EU in the multiple fields that are relevant to security and defense would be a welcome addition to NATO as well as a good thing in themselves, and would be appreciated in Washington as a tangible change of course. Instead, concentrating on autonomy and sovereignty without first allocating adequate resources and making the necessary decisionmaking arrangements in Brussels is a bit like putting the cart before the horse.

This reasoning is reinforced by the lessons of European military transfers to Ukraine, with the rapid depletion of existing stocks: defense industries in Europe cannot become more productive until procurement remains purely nationally oriented.

There is also an underappreciated EU dimension to the ongoing conflict for the future of Ukraine: back in 2013-14, few in Brussels seemed to fully realize the extent to which the Association Agreement with Kyiv was seen as an almost existential threat by Vladimir Putin, or at least as a hostile bid. The first invasion of Ukraine was in fact launched as partly a reaction to the “Maidan revolution”, in which it was EU flags that protesters were waving – not NATO or US flags. An economic move by the European Union did produce major geopolitical consequences: this is a lesson worth learning, looking forward.

Adjusting the EU model for a more secure Europe

There is a major internal challenge that will determine how the EU deals with external security issues: the underlying geoeconomic structure of the Union needs to be partly redesigned. While the EU as a whole has normally enjoyed a rather healthy balance of trade, its main economic actor, Germany, has been (proudly) recording a long series of trade surpluses – with just the most recent 2022 figures showing a trade deficit. Not only is this strong reliance on exports a constant source of friction with some of Berlin’s partners, but it has significantly affected the EU’s aggregate economic policies. In particular, heavy dependence on (cheap) Russian gas has been accompanied by growing dependence on (cheap) Chinese consumer goods and components, including important technologies. Such a combination cannot fail to have consequences on foreign and security policy in the broadest sense, complicating the indispensable Transatlantic dialogue at various levels. The significant change of tone in Germany’s statements since last February, especially on defense commitments and energy issues, have been welcome in most European capitals as well as in Washington, but it is too early to say whether we are at an inflection point and whether the key EU members will accept difficult compromises and make sufficient mutual concessions in order to achieve common objectives.

In addition to the legacy of economic arrangements that underestimated the reality of political risk, the EU's vaunted internal market is actually an incomplete project, with defense and energy being conspicuous exceptions to economic integration. The Covid-19 pandemic crisis dramatically highlighted the lack of a common health policy and even of basic elements of coordination within the Union, although it then produced a common reaction and the Recovery Fund. Yet, new divisions are apparent in facing the energy crisis and its repercussions. A fully functioning internal market and common policies are exactly what would be needed to manage supply chain disruptions, the shift to a new energy mix, the complex effects of economic sanctions and counter-sanctions, as well as unexpected crises like the pandemic. And, of course, defense capabilities critically rely on strategic technologies and long-term industrial policies with the related investments.

In sum, in order to make a better contribution to the European security architecture the EU also has to improve and reform its internal functioning as regards economic coordination and policy coherence more broadly. Rethinking certain aspects of its growth model is also a priority, in light of a global system that has become less benign than just a few years ago.

The EU's enlargement process has been instrumental to the "fair weather" approach adopted by Brussels over the past several years, to the point of almost acting as a substitute for foreign policy in and around Europe. The idea was that by gradually expanding the area where EU rules are directly applied the EU could act as a "normative power" or, a bit more modestly, a "standard setter". By keeping the process open, despite its technical complexity and the requirement of unanimity for any new accession, the Union hoped to offer a model for others to adopt or emulate – and indeed the EU's attractiveness is beyond doubt, if one only looks at the candidates' waiting list as well as migratory flows. Such power of attraction is not confined to traditional policy frameworks like basic civil rights and the generous welfare state but extends to more innovative areas like privacy protection and the promotion of the green transition – as epitomized in the notion of a "green and global Europe" to borrow from a recent book by Nathalie Tocci.

The problem with this approach, however, becomes apparent when the weather turns bad or even stormy, as in the case of Russian aggression against Ukraine. In times of

acute crisis, no amount of “normative power” or other forms of soft power can make a difference by themselves. Being a security provider requires readily available and well tested capabilities and decisionmaking arrangements that are still lacking. In this context, it is of great importance that the European offer of candidate status to Kyiv be treated as a serious commitment and not just a statement of principle.

Under the pressure of recent events, EU members have also come to better appreciate the importance of the unique contribution that non-EU partners could make to joint efforts, especially looking at the UK and Turkey. This was the logic behind the launch of a complex exercise in October 2022 under the name of “European Political Community” (EPC) – essentially a pan-European forum minus Russia and Belarus. Self-styled as a “platform for political coordination”, the 44-member gathering in Prague reflected a growing concern with the paralysis of OSCE but also with the inherent limitations of EU enlargement (as well as NATO enlargement) as the only framework for pan-European security cooperation.

In other terms: EPC will work if it is not conceived as an alternative to all future enlargements but as a soft security cooperation forum, allowing Turkey and the UK to remain part of the evolving continental security architecture and allowing candidates and future members to cooperate on specific issues even as the accession process is incomplete.

The global context of European security

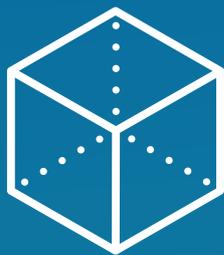
The European security architecture has become more contested and uncertain than before, especially in its pan-European version – which, to be fair, was always going to be very challenging. Now, more than ever, the continental security setup must be viewed in a global context, as its future is inextricably linked to growing American commitments in the Indo-Pacific, to the evolution of the entire MENA region, and to emerging dynamics in the Sahel and Sub-Saharan Africa.

The Indo-Pacific focus of US security policies is a fundamental shift, but hardly a sudden surprise given that it has been in the offing since the Obama years and has been systematically articulated in various official documents. What has been less clearly articulated, and possibly misunderstood in Europe, is the meaning of a new

Pacific strategy for the rest of the world. Especially under the Biden administration, Washington has been pursuing a policy that, in EU parlance, could be defined as simultaneously of “widening and deepening”: it consists of acquiring new partners in rather flexible coalitions (the most consequential being India, in an ideal scenario) and cultivating closer ties with established allies. In this context, NATO is going to remain a unique organization but the level of cooperation with some US partners in the Indo-Pacific will probably be comparable with what NATO allies are used to.

In parallel, Washington will expect from its European allies a willingness to take on additional responsibilities in and around the Old Continent – in terms of tangible operational capabilities, not lengthy statements on “strategic autonomy”. Practical help around the Strait of Malacca or the Taiwan Strait would be welcome, but the key European contribution to international security should be around the Bosphorus, Suez and perhaps Hormuz. Here we can envisage the contours of a new Transatlantic division of labour, also based on the observation that regional, macro-regional and global security developments are often interlinked.

As is well known, both China and Russia have been raising their profile in the MENA region – albeit in different ways, so far – while the G7 and even to some extent the G20 (where the European presence is essential) have been mobilized to counter Russia’s tragic Ukraine adventure and to manage some of its worst repercussions. These are all signs that the European security architecture cannot be seen in isolation: there is no alternative to looking simultaneously inward and outward to address the multiple challenges we face.



What the World Needs Now – views from the OSCE Secretary General

by Helga Maria Schmid



Helga Maria Schmid is OSCE Secretary General.

This past year, many of us were shocked by the return of violent warfare to Europe, at a level not seen in more than 75 years. Russia's unprovoked and unjustified war against Ukraine has challenged the foundation of the rules-based European security order.

These are dark days, and the war has a dramatic impact on the entire region and beyond – including on the OSCE. And while we have continuously adapted the Euro-Atlantic and Eurasian security arrangements to address changing circumstances, it is particularly important now to consider the tools we need to shape a more stable future, and thereby increase the odds of achieving sustainable security. Before addressing this, I want to start with a clear picture of the OSCE's role in response to Russia's war of aggression.

We all make choices

When it comes to the war against Ukraine – now nine-months long – it did not have to be like this. The OSCE has stood for shared security and co-operation since its earliest days. We have platforms for dialogue, tools for transparency, mechanisms to build confidence. Early this year, understanding the growing tension, OSCE participating States were ready to put differences aside and engage in comprehensive dialogue. On 8 February 2022, the OSCE Chairperson-in-Office, Polish Foreign Minister Rau, launched the Renewed OSCE European Security Dialogue, which

was meant to help build trust, transparency and co-operation, and to discuss the security concerns of all participating States.

Nearly all participating States were keen to pursue this dialogue. But Russia chose force over dialogue. And the consequences are profound.

The OSCE is doing everything possible to support those suffering the consequences. Through the new Support Programme Ukraine – a wholly donor-funded programme – participating States are ensuring that the work the OSCE delivered in Ukraine for nearly 30 years can continue – despite the fact that the OSCE’s missions in Ukraine were forced to close this year¹. The new team in Kyiv is delivering support to the government, civil society, and people of Ukraine. Projects cover a range of challenges, from humanitarian demining, to addressing the environmental damage caused by the war, increasing capacity to provide social and psychological support to those affected by the war, enhancing Ukraine’s chemical emergency response capacity, supporting media freedom, countering cybercrime and combatting trafficking in human beings.

And of course the impacts of the war don’t stop at the border. Whether in Moldova, Central Asia, or beyond, the OSCE is working closely with governments – including through our field offices – to mitigate the risks those countries face, and to help address challenges in order to enhance stability and security for all.

One piece of the puzzle

The OSCE is but one part of the current European security architecture. The role it plays is different from what NATO or the EU offer. This is crucial – because we need a range of tools and formats to address the challenges we face and the array of stakeholders involved. Part of the OSCE’s added value is in an approach that is comprehensive, inclusive, and principled.

To continue to be effective, the OSCE must be adaptable, capable of facilitating coordinated approaches to effectively address global challenges and offer tools to help prevent and resolve conflict.

¹ Decisions in the OSCE require consensus among all 57 participating States. In the case of the Special Monitoring Mission and the Project Co-ordinator in Ukraine, the Russian Federation did not join consensus to renew these mission mandates. Both missions formally closed on 31 October 2022.

It is worth recalling that while known as a forum for dialogue and co-operation, the OSCE itself is a product of confrontation. What began in the early 1970s as a series of conferences to overcome the ideological and geopolitical divisions between East and West, is at heart a change management organization. The Helsinki Final Act of 1975 was not an agreement between like-minded states, but rather a means to manage disagreements between rivals and prevent escalation. We need this still today, because we need platforms where all stakeholders are at the table, particularly when tensions are high.

A comprehensive approach

Nearly fifty years ago, the OSCE pioneered the concept of comprehensive and co-operative security, recognizing the indelible links between politico-military, economic and environmental and human dimensions of security.

Over the years, the challenges in each area have evolved. In the politico-military domain, the OSCE has done vital work related to arms control and disarmament as well as critical verification of conventional military activities. This work remains important and must continue to evolve to accommodate the new realities in this sphere, including artificial intelligence. A focus on the environment is more urgent than ever, and in the economic sphere it is clear that corruption is a serious impediment to peace and stability. The human dimension continues to play a vital role, whether considering media freedoms in the era of social media or the role of technology in human trafficking. In these areas and more, a comprehensive approach to security has proven to be extremely effective in helping States build the institutions and habits that are necessary to deal effectively with a multitude of 21st century challenges.

Inclusive

Inclusivity – in terms of both membership and perspectives – is vital to a comprehensive security system. The OSCE is inclusive in the context of groups that have been historically underrepresented in consultations and decision-making on

peace and security matters, such as women, youth and minorities. This features prominently in the OSCE's work across all three dimensions.

When it comes to membership, there is tremendous value in "like-minded" groups, and there is also real value in providing space in which a broader range of perspectives and approaches is reflected and integrated. The OSCE is not a like-minded group. Our participating States have different political systems, different cultures, and differing priorities. They do not always see eye-to-eye, and finding agreement is often challenging. Yet having this platform through which we can discuss the various challenges, build understanding, and find ways of working together is very important. This does not, however, imply a relativistic approach to behavior that violates international law and OSCE principles.

Principled

Although the security situation in Europe is undergoing a significant shift, the norms, principles and commitments unanimously agreed to by the OSCE participating States remain relevant. And accountability is key.

All OSCE participating States agreed to implement these commitments on a purely voluntary basis and are engaged in a continuous process of peer review and improvement. Though this kind of accountability does not bring quick results, it does provide something incredibly powerful – local ownership. This, in turn, ensures the sustainability of much of the Organization's work on the ground.

The commitments are thus a powerful tool for change. And while some of these commitments remain aspirational, they establish clear standards for the way that States treat each other and those who live on their territories. We have seen serious violations of these commitments in recent years, with a concomitant failure to implement agreements in good faith. This has had tragic consequences and has severely damaged trust between participating States. However, rather than invalidating the principles, the violations have focused more attention on the importance of a common set of rules by which all can reliably operate. And here, too,

the OSCE has tools – including the Moscow Mechanism² – that contribute to greater accountability – not only within the OSCE framework but in support of the international community writ large.

Adaptive

We will never be able to foresee every eventuality or emerging threat, so our ability to adapt and rapidly respond to changing situations is an absolute necessity – something the OSCE has ably done time and again.

Confronted with the outbreak of war in South-Eastern Europe in the early 1990s, the Organization launched large-scale field operations to help countries build democratic institutions and rule of law, while fostering trust and reconciliation. We responded to the crisis in 2014 with innovative steps that helped reduce tension and stabilize the situation in Ukraine at the time. Our mission helped millions of conflict-affected citizens on both sides of the contact line – including by brokering local ceasefires. And though the Special Monitoring Mission and a separate project office in Ukraine were forced to close this year, the OSCE still has 12 other field operations that continue to assist participating States in catalyzing reforms and strengthening their security.

Addressing global challenges

Part of what the OSCE does through these field missions is to foster coordinated approaches to effectively address transnational and global challenges. It is clear that no one State or organization can deal with a threat like climate change on its own. The Covid-19 pandemic has reminded us that our security is not only interconnected, but interdependent. Multilateral co-operation is a necessity.

To facilitate this co-operation, we need platforms that create space for dialogue and enhance trust and transparency. In this regard, the OSCE has unique strengths – most

² The Moscow Mechanism aims to investigate allegations of serious violations of the commitments made by States within the framework of the OSCE and identify actions to address them. Participating States have invoked the Moscow Mechanism three times since the start of the war against Ukraine in February 2022: 45 participating States invoked the Moscow Mechanism on 3 March and again on 14 July to address the human rights and humanitarian impacts of Russia's war against Ukraine; 38 participating States on 28 July invoked the Moscow Mechanism to review the human rights situation within Russia itself.

notably in fostering regional, trans-boundary co-operation on issues like climate change and border security.

We have brokered agreement on measures to address a wide range of emerging threats, such as ground-breaking cybersecurity confidence-building measures that reduce the risks of conflict between States stemming from the misuse of Information Communication Technologies.

In addition to working with governments, we engage with the private sector and civil society in our activities on strengthening good governance, promoting transparency and improving the business and investment climate. And of course we work closely with other international organizations, like the United Nations and European Union, combining the unique strengths that we each bring to bear to address challenges that require concerted, co-operative effort.

Preventing and resolving conflict

The Leitfaden (or guiding thread) running through the OSCE's principles and commitments is that of preventing and resolving conflict. The Helsinki Final Act included the first set of confidence- and security-building measures, which fostered relative stability and security in our region for decades.

Over the past decade in particular, the OSCE has built up a robust, cross-dimensional toolbox for early warning, conflict prevention and resolution, mediation, crisis management and reconciliation. To remain effective, our tools need to be sharpened and used in good faith to increase transparency, build confidence and co-operation, and reduce tensions. But this also depends on the political will of participating States choosing to use and support them, as well as the provision of sufficient resources.

Our work across the conflict cycle has produced real results on the ground, not only through our participation in conflict-resolution mechanisms in Georgia or the Transdniestrian Settlement Process, or through promoting reconciliation in Bosnia and Herzegovina with our nine field offices in the country, but also through discreet activities like mediation with local authorities and civil society to relocate a controversial war memorial, restore constructive relations between political parties,

and bring law enforcement together with women to address their particular security concerns.

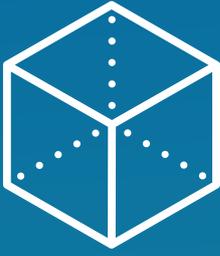
Conclusion

Our founders believed that co-operation in the fields of arms control and security, industry, science and the environment, and human rights and democracy, would reinforce peace in Europe and in the world as a whole. They were right. This is the work we should do – the work we are doing. Despite the dire challenges in our current geopolitical situation, the OSCE continues to deliver real improvements in security and stability every day. These activities support our participating States and the people their governments serve. And we do it all with very modest means – roughly 20 cents per citizen per year.

As I said at the outset, I believe that the OSCE offers a unique platform and crucial tools that enable States to build trust and reconcile differences, with the goal of achieving sustainable security for all. We have done this before, starting with the Helsinki Final Act. We can do it again.

The core principles of Helsinki are still the bedrock of security and cooperation in Europe. It is the violation of these principles – as we see with the war against Ukraine – that is wreaking havoc, not only on Ukraine but on so many others – both in the region and far beyond. And so we must remain resolved. Resolved in our belief that the principled, rules-based order is the essential foundation for peace and security in Europe and the world. Resolved in our demand for compliance with the Helsinki Principles in letter and spirit by those in flagrant violation. And resolved in our commitment to continue providing practical tools in the service of co-operation.

These are dark days, but we have an opportunity and an obligation to draw on our experience and expertise, and to evolve – to use the tools at our disposal in new and innovative ways to bring sustainable peace and security.



Ensuring A Digitally Secure Europe: Combatting mis- and disinformation in the Comprehensive New European Architecture

by Elliot Gerson



Elliot Gerson is Executive Vice President, The Aspen Institute.

Mis- and disinformation have subverted societies around the world. While the globalization and democratization of information sharing through digital devices have brought our world closer together, we must contend with the ways this era of instant communication has been weaponized to drive us apart. Through the lens of the Russian war in Ukraine, we can see the way in which disinformation can penetrate societies and be used as a tool of war by both state and non-state actors. Disinformation has been key in disrupting digital ecosystems to shape public narratives and perceptions about the war. As we begin to consider the reconstruction of Ukraine and a Comprehensive New European Architecture, we must be prepared to account for the effects of mis- and disinformation on international security and democracy.

A Modern Tool of War: Disinformation

Mis- and disinformation's role in undermining democracy¹ and provoking conflict around the world² it is one of the most significant challenges of the 21st century.³ Disinformation has the power to disrupt the fabric of society, provoke mistrust, incite violence⁴, influence policy, and meddle with elections.⁵ In the Russian war in Ukraine, we see

¹ <https://www.reuters.com/article/us-brazil-election-whatsapp-explainer/facebooks-whatsapp-flooded-with-fake-news-in-brazil-election-idUSKCN1MU0UP>

² https://www.wilsoncenter.org/sites/default/files/media/documents/publication/vulnerable_landscapes_case_studies.pdf

³ https://www.foreignaffairs.com/articles/world/2021-11-30/how-disinformation-corrodes-democracy?check_logged_in=1&utm_medium=promo_email&utm_source=lo_flows&utm_campaign=registered_user_welcome&utm_term=email_1&utm_content=20220831

⁴ https://www.wilsoncenter.org/sites/default/files/media/documents/publication/vulnerable_landscapes_case_studies.pdf

⁵ <https://www.reuters.com/article/us-brazil-election-whatsapp-explainer/facebooks-whatsapp-flooded-with-fake-news-in-brazil-election-idUSKCN1MU0UP>

the global extent of disinformation campaigns. Coordinated campaigns by Putin-allied actors aim to sow division among allies of Ukraine through “whataboutisms”, doctored images and videos, and false historical narratives. Ironically, Russian disinformation campaigns use social media blocked within Russia to spread disinformation to other countries.

The Path to a Digitally Secure Europe

Disinformation campaigns from Russia - and increasingly from China, Iran and other state actors - are a persistent threat that Europe will need to combat as it creates a **Comprehensive New European Architecture**. Throughout the Russian war in Ukraine, harmful narratives have affected public opinion in Europe and beyond in an attempt to undermine democratic norms and friendly Western relations. As Ukraine begins to rebuild and Europe considers how to strengthen its security, information disorder must be addressed.

Members in the European Union (EU) and the North Atlantic Treaty Organization (NATO) have each taken meaningful actions to combat disinformation. In June, the European Commission’s signatories of the 2018 Code of Practice on Disinformation strengthened the Code’s commitments to regulating digital platforms.⁶ The improved Code of Practice also includes a new framework for monitoring the implementation of the Code and establishing a Transparency Centre, where the public can view policies implemented by signatories of the Code and other relevant metrics on disinformation in digital media.

NATO has also held a close focus on disinformation. In May 2022, NATO held its first meeting dedicated to discussing the cyber threat landscape following the war in Ukraine.⁷ Also in 2022, NATO scientists wrote a book on “lessons learned” and key strategies to combat disinformation.

Similarly civil society groups and academic researchers are collaborating to understand and advance recommended solutions to mitigate harmful information and increase public resilience to negative influence. The Aspen Institute has been

⁶ <https://digital-strategy.ec.europa.eu/en/policies/code-practice-disinformation>

⁷ <https://thehill.com/policy/cybersecurity/3493265-nato-cyber-coordinators-hold-first-ever-meeting-amid-russias-invasion/>

active in this space. This past year, the Institute's [Aspen Digital program](#) formed **The Commission on Information Disorder**, to “identify and prioritize the most critical sources and causes of information disorder and deliver a set of short-term actions and longer-term goals.”⁸ While largely focused on the US context, its findings and suggestions could be applicable to Europe and contribute to ongoing conversations about practical methods to combat disinformation. Taking from the Commission's report, I emphasize three areas that should be of priority on the path to a digitally secure Europe. They are as follows: **increasing transparency, building trust, and reducing harms.**

The Commission's Recommendations

The Commission's first set of recommendations focused on battling mis- and disinformation is to **increase transparency** efforts on social media platforms by enacting federal protections for researchers and journalists conducting research for the greater public good. Recently, some social media platforms adjusted their terms of service to block access to researchers. Social media transparency is pivotal to developing public policy solutions that can actively combat mis- and disinformation efforts. The commission says, “While the protection of user privacy is important, platforms should not be permitted to use privacy as a pretext for restricting and stopping research and journalism in cases where the risk to privacy is minimal in relation to the public interest in the research, as Stanford professor Nate Persily has proposed.” Another effort to increase transparency involves federal action that would require social media platforms to publish key data such as content, source account, and reach data for organically delivered posts. This recommendation is particularly important in battling disinformation campaigns where their primary place of attack is through social media platforms. This required public disclosure allows key experts to analyze and decipher potentially harmful posts as well as provide informative counteractions to the disinformation identified.

The second set of recommendations is around **building trust** in an increasingly polarized society. The Commission's report highlights the need for truth and transformation. Often mis- and disinformation target marginalized groups or

⁸ <https://www.aspeninstitute.org/programs/commission-on-information-disorder/>

communities, making it ever-more important to identify imbalances of power, access, and equity and for news outlets and social media platforms to diversify their workforces. Part of building this trust includes greater workforce diversity, to include a range of perspectives in positions of power, particularly in the media. It also includes developing platforms that center healthy discourse and privilege truth over amplifying extreme views; investment in local journalism, to strengthen their capacity to deliver balanced information to those who need it most; education campaigns centered on our election processes, to restore trust and resiliency in our democratic institutions; and a cultural shift toward holding those who violate the public trust accountable through professional standards bodies. Another method could be withholding advertisement support from platforms that fail to protect their users from harmful information or encouraging existing media companies to implement practices that give their users fact-based information.

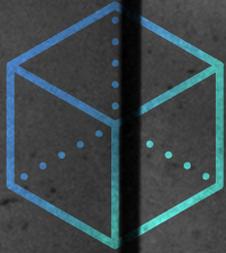
To impact the root causes of this issue, we must also elevate initiatives that focus on reconciliation, community building, and remedy longstanding inequities faced by marginalized groups. By acknowledging that our structural inequities have created an environment of distrust in marginalized communities and working to alleviate and elevate marginalized voices, our communities will be built on a foundation of mutual respect and understanding where mis- and disinformation cannot take hold.

Finally, to **reduce harms**, the Commission identified several approaches from the national to civic scale. They suggested that the US administration create a comprehensive federal approach that would result in a national strategic plan to combat mis- and disinformation. A national strategy led by a nonpartisan team could fund powerful countermeasures like the education, research, and local media investments identified above. A clear position from the federal government would encourage social media platforms to take more accountability for the messages spread on their platforms by holding “superspreaders” of mis- and disinformation accountable, create a higher standard of care to prevent targeted harassment and harmful promoted content, and by providing media literacy education to their users.

All sectors of society, and all of us around the globe, have a shared responsibility to work together to combat this persistent challenge of mis- and disinformation. It is especially important for European nations to prioritize focus on these dangerous

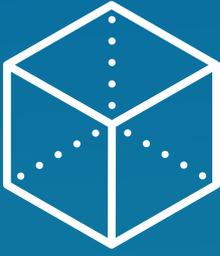
disinformation campaigns during the Russian war in Ukraine. These campaigns are targeting fear in the general public and highlighting government failures to cause chaos and raise sympathy for Russia. **A New Comprehensive European Architecture is one that recognizes that disinformation campaigns go far beyond false narratives on social media, but that it is a dangerous tool of war that can affect social order, nation relationships, democracy, and international security.**

I commend the work of the Aspen Institute's Aspen Digital Commission on Information Disorder as well as the Institute's current work being done in Europe for their extensive efforts in identifying actionable solutions to combat this persistent challenge. While this Commission's report had a US focus, their findings are sparking conversations and encouraging questions within European spaces as officials work to create the New Comprehensive European Architecture. The Aspen Institute and its international network are dedicated to combating mis- and disinformation to promote a more just and democratic society. The full report from the Commission may be found [here](#).



A

RECONSTRUCTED
EUROPE



Weapons, weapons, weapons, and timely financial support

by Natalie Jaresko



Natalie Jaresko is Chair, Aspen
Institute Kyiv.

When Russia illegally invaded Ukraine February 24, 2022, more than eight months ago, western allies, policymakers, military experts and journalists overwhelmingly inaccurately predicted this outcome, which has made this war more costly from every perspective. As time passed and Ukraine showed historic courage and strength in the face of tragedy, policy slowly began to catch up with reality. However, with each hesitation, with each delay in coming to terms with the importance, scale and danger of Russia’s war against the liberal world, the costs unfortunately have grown rapidly -- in human life, civilian infrastructure, agricultural exports, and more. We have had sufficient experience and time now to cease hesitating and look forward realistically, planning, preparing, acting, and providing that which is needed to minimize the cost to human lives, to infrastructure, and to enable Ukraine to prevail as quickly as possible.

The world was not prepared for the reality of this unprovoked and cruel war. The global democracies mistakenly gave the “second largest army” in the world too much credence, while underestimating the defiance and resilience of the Ukrainian people and their Armed Forces. Hesitation in providing critical weapons and air defense systems early in the war has allowed far too much damage. The G7 and its partners also seemed unprepared to respond financially to the scale of Russia’s massive devastation to life and property, which resulted in a massive outflow of refugees, destruction of businesses, blockage of

exports, decline in tax revenues, and a tremendous drop in Ukraine's GDP. The global democracies initially failed to understand the attraction and value of freedom to those who are faced with losing it to a tyrant who places no value on human rights:

"We will not be broken by shelling. The enemy's rockets in our sky are less scary than hearing the enemy's anthem on our land. We are not afraid of the dark. The darkest times for us are not without light, but without freedom. Our warriors are strong, volunteers are tireless, partners are reliable, and people are indomitable."

Volodymyr Zelenskyy, President of Ukraine

Eight months later it appears that there is general agreement that Ukraine is on the forefront of a vicious attack on global democracy. There is agreement that the outcome of this war sets a precedent for the peace-loving free and democratic world. It will determine whether might and brute force will define our borders, our trade routes, our flight routes, and our freedoms – or rule of law, diplomacy and respect for sovereignty and territorial integrity are the cornerstone of our world. This war will further determine whether there is any chance whatsoever for nuclear non-proliferation efforts, given Ukraine voluntarily gave up one of the world's largest nuclear weapons inventory in return for security guarantees– which have in essence been proven meaningless as Russia, one of the states providing those assurances, is the invader.

Further, there is general agreement that supporting Ukraine financially is critical to ensuring the country's capacity to continue fighting, to stem the flow of even more refugees and instead begin to see a return of refugees home, and to ensure that the country is best prepared for resuming growth and rebuilding its economy when the war comes to an end. The challenge going forward is not the general principle of supporting Ukraine financially, but instead ensuring sufficiency and predictability of that support, while providing credence to the future rebuilding of Ukraine.

First priority

Ukraine is continuously making progress moving Russian troops back, regaining its territory and making life safe again for its citizens on previously occupied territories. Kherson is the most recent example of this welcome liberation. However, the war is taking such a significant toll on the Ukrainian economy, we need to pair our military support with urgent and immediate financial support. One quarter of Ukraine's territory, 35% of its GDP, access to its ports, and massive destruction create a uniquely dangerous fiscal situation for the Government of Ukraine – which has to date continued to provide critical services to the population and maintain the overall currency and banking system with astute policies. The Government needs resources to maintain this level of governance without resorting to printing money and causing a terribly dangerous hyperinflationary spiral.

The Ukrainian Government and the IMF have estimated that Ukraine's fiscal deficit in 2023 will be in the range of \$36 billion. Ukraine has already taken steps to minimize the deficit by reducing all non-critical social and capital expenditures. That said, the expenditures that remain are critical – pensions, education and healthcare sector wages, as well as subsidies for skyrocketing energy costs and for the over 6 million internally displaced Ukrainians forced to flee their homes and livelihoods. Ukraine's 2023 proposed budget requires increased social payments representing two thirds of the other cost reductions made since the war.

The EU and US have each committed approximately \$1.5 billion per month to cover this gap and will be supported additionally by other allies such as Japan and Canada. The challenge is not in the commitment itself, which has been made and is very welcome. The challenge is in the predictability of receipt of these funds. In 2022, notwithstanding commitments made by allies, Ukraine was forced to monetize much of its deficit, in essence printing monies to pay salaries, pensions and subsidies. The single largest contributor to deficit financing as of October 19, 2022 was the National Bank of Ukraine, which provided some \$10.6 billion toward the deficit of \$38.6 billion. The lack of timely funding resulted in inflation of over 20%, while salaries and pensions have been frozen at nominal amounts. This inflation “tax” is being paid by those most in need in Ukraine, on fixed incomes, with no alternative sources of income, and those who provide the most needed services – from education to firefighting to emergency services. As Minister of Finance at the end of 2014, I know the

heartbreaking challenge of waking up to a lack of resources in the treasury needed to pay critical salaries -- the balancing act that is required to manage in such a situation.

Predictable and timely delivery of commitments is an absolute necessity in 2023 to avoid further monetization of the deficit, which could turn into the only nightmare Ukrainians are not yet confronted with today – devastating hyperinflation. Hyperinflation would see savings wiped out, currency devalued, banks challenged to stay afloat and more. Not only would this be extremely painful, but it would make post-war recovery of Ukraine’s economy even more complex. Ukraine and its donors must agree on a careful calendar outlining the specific dates and amounts to be received such that the Ministry of Finance can plan its required expenditures and avoid being forced to turn to the National Bank of Ukraine for monetization.

Second priority

Ukraine’s partners have utilized the tools most available to them in 2022 to get resources to Ukraine. The great majority of this support has been in the form of debt, though. The financial support provided to Ukraine during this critical time must prioritize grants over credit. The United States has been exemplary in providing financial assistance via grants, while other donors have found it difficult to devise the appropriate mechanisms to date. Already Ukraine’s debt to GDP ratio hovers at 87-88%. With this year’s estimated GDP decline of 35%, the recent Russian renewed blockage of agricultural exports through Ukraine’s ports, and the pace of missile and drone attacks on critical infrastructure, the forecast restoration of GDP growth in 2023 is at risk.

Piling on debt, even if at very low interest rates, will hamper Ukraine’s ability during the post-war recovery to access capital markets, which could credibly provide a part of the capital needed for rebuilding post war. Winning the war with an unsustainable level of debt and getting mired in new debt restructuring discussions rather than focusing on an inspired renewal of the economy would have tremendous costs. In contrast, Ukraine maintaining access to capital markets post-war could be very valuable in accelerating the rate of renewal and recovery and attracting private sector investors.

Third priority

With all the discussion of a substantially capitalized and visionary “Marshall Plan” for Ukraine, we must not lose sight of the urgent need to invest today in critical infrastructure renewal. Recent massive bombings of critical electricity, heating and water infrastructure make the estimated \$18 billion ever more critical to meet. As of October 27, Russia had carried out 4,500 missile strikes and more than 8,000 air raids. At least half of Ukraine’s thermal power generation, and up to 40% of the entire energy infrastructure have been damaged. Nearly every area of Ukraine has been shelled, damaging the water heating systems, and power lines. The intent of this targeted destruction of civilian infrastructure is to make life unlivable for Ukrainians, or as some Russian pundits have bragged, to freeze Ukrainians to death this winter.

Our urgent support for restoring electricity, providing generators, power banks, mobile boiler houses, and funds for rapid rebuilding of this damage is critical to the ability of Ukrainians to survive this winter when temperatures could reach -20C in January and February. Providing housing for those who have lost their homes to residential housing damage is the only way to avoid renewed waves of outmigration. It is in all our interest to work with Ukraine now to prioritize and get these supplies into Ukraine as soon as possible. The war crimes being committed against civilians and civilian infrastructure must not be allowed to stand without immediate response.

Fourth priority

All efforts must be made now to design an infrastructure that allows some if not a great majority of these costs to be financed by Russia. In the United States, members of both political parties are using U.S. assistance to Ukraine as a political tool in the upcoming elections. In Europe, public concern about higher energy costs and inflation worry national leaders about the strength of what has been incredible support for Ukraine. Even if international and US bipartisan support for Ukraine remains strong despite a looming recession, we should begin a process now that would provide access to frozen Russian assets, ensuring taxpayers that Russia will pay for its war crimes and illegal invasion.

Scholars such as Anton Moiseienko of Australian National University and University of Virginia professor Philp Zelikow have mapped out a realistic legal path based on the United Nations General Assembly recognition in 2002 of the International Law Commission's Articles on the Responsibility of States for Internationally Wrongful Acts. In a recent article former US Trade Representative Robert Zoellick notes that the international legal basis for transferring Russia's reserves to Ukraine, perhaps in the form of an international fund for compensation, has already been established via several UN resolutions and a ruling from the International court of Justice. Just days ago, nearly 100 nations at the UN General Assembly voted in favor of establishing an international mechanism for compensation for damage, loss and injury. This needs to be done now.

Fifth priority

Finally, it is time to move from promises, declarations, conferences and think tank research papers to practical preparation for the post-war recovery. The World Bank's June report identified long term reconstruction needs at \$349 billion (before the massive civil infrastructure destruction campaign aided by Iranian drones). Ukraine has provided the vision of the \$750 billion rebuilding effort it foresees – a vision of a European Union member with a green economy, digital and efficient, attracting its citizenry back with quality education, housing and jobs. It is now time for the donor community to come together and create the coordination platform that satisfies the EU desire to lead, the US desire to play a major role, and the Ukrainian desire to ensure the platform is well organized and ready to engage with the Ukrainian government and civil society the day the war ends. In addition to a coordination platform, there is likely to be the need for an implementation agency/entity in Ukraine embedded with donor representatives. The international negotiation, creation, staffing and training of these entities will take time. Thus, to avoid any delay in our ability to give life to Ukraine's inspiring vision, the international community should dedicate resources now to coming to an agreement, whether it takes the form of that suggested by the German Marshall Fund in September 2022 or other.

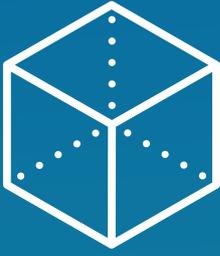
After the meaningful statements and discussions at the July 2022 Lugano conference and recent Berlin conference, any next conference should include not only detail on

the agreement reached for coordination and implementation, but also concrete and meaningful donor pledges for the rebuilding effort. It is time for donor governments and the international financial institutions to both prepare voters and work through their individual bureaucracies to identify the scope, methods and approaches they will take to invest in the rebuilding. These specific commitments should include direct funding, export credit programs, as well as political and military risk insurance needed to engage the private sector fully in this effort.

Conclusion

When asked what is needed to win this war, Ukrainians often respond “weapons, weapons, and weapons.” I urge everyone to supplement this response: “weapons, weapons, weapons and urgent, timely financial support.” Moreover, I urge Ukraine’s partners to plan, be clear and specific with amounts and timing, ensure predictability and provide inspiration. The people of Ukraine have shown their resilience for nearly nine months. The Government of Ukraine has shown its capacity to deliver critical government services, to repair and rebuild, to inspire its citizenry, and defend against a horrific invasion – when almost no one foresaw this possibility. We cannot allow partner/donor delays and uncertainty to result in hyperinflation causing more pain, further outmigration, complication in restoring economic activity post-war and reducing the resources Ukraine itself can bring to bear for the renewal and restoration of its economy. Critical infrastructure must be rebuilt now to ensure the survival of the citizenry during the upcoming war. We must seize the opportunity today to seek resources from frozen Russian assets to supplement our support, as it is Russia that caused this devastation and loss. We must join with President Zelensky and Commander in Chief Valeriy Zaluzhnyy in inspiring the Ukrainian people with real and significant commitments now to the post-war renewal of Ukraine’s economy.

The least costly means of supporting Ukraine’s defense of our freedom and restoration of global peace is to plan and execute strategic financial support for Ukraine with leadership and foresight now.



A World in Flux - Towards a New European Architecture

by Maroš Šešćović



Maroš Šefčovič is the European Commission Vice-President for Inter-institutional Relations and Foresight.

Introduction

‘Permacrisis’ is a newly-fashionable portmanteau word describing the sense of continuously stumbling from one shock to another, be it war, inflation or political instability. Little wonder, then, that it was named 2022’s Word of the Year by the Collins Dictionary. This year has seen tectonic shifts in global geopolitics with instability and crises dominating the international arena, following, interlinking and overlapping one another.

As a result, we are living through the most transformational period Europe has experienced since World War II. This European permacrisis has been built on many elements. The eurozone crisis sending shockwaves through our economies and cohesion in 2008 and 2009. The massive influx of refugees and migrants from 2015, threatening to overwhelm our asylum and migration systems. European unity being challenged, yet standing firm, following the Brexit referendum in 2016 and the UK’s subsequent departure from the European Union. Then, the COVID-19 pandemic hit in 2020, putting our health and social systems under enormous strain, shutting down our economies and affecting our cherished right to the free movement of people and goods. And Russia’s illegal military aggression against Ukraine is a most recent attempt to jeopardise our fundamental values of freedom and democracy and our whole rules-based and multilateral international order. At the same time, as these crises have crashed over us like waves on a stormy

beach, we cannot afford to neglect longer-term megatrends like the threats and impacts on our social and economic system posed by climate change, digitalisation, the global decline in democratic governance or shifts in demography – especially worthy of note given that the human population has just reached 8 billion people.

Even as we work to overcome these challenges, in the short and long term, we cannot know what will happen tomorrow. One of the few consistencies in this world of permacrisis is its ‘Brittle, Anxious, Non-linear and Incomprehensible’ nature: one cannot foresee what the next shock over the horizon will entail. What one can reliably state is that these challenges will arise one way or another, and probably in increasing numbers and with shorter time spans between them over the next decades. This, then, is what one must take into account when asked to reflect on a ‘New European Architecture’. So with that in mind, it is worth considering two interlinked ideas.

First, the European Union cannot afford to be in constant firefighting mode when it comes to coping with shocks and crises. Rather, to get on top of problems, it needs to look forward and be better prepared for the opportunities and challenges ahead.

Second, in order to enable this change, a more conducive institutional structure is needed, seizing the opportunity provided by ongoing and future challenges. In other words, it is time to design a New European Architecture based on resilience and preparedness.

Today more than ever before, the European permacrisis offers a unique opportunity to mainstream the identification of risks in policymaking, for instance by anticipating different possible future scenarios. This is the central tenet of strategic foresight.

Having recognised these needs back in 2019, the European Commission, under incoming President Ursula von der Leyen, decided to include specific responsibility for strategic foresight as part of my portfolio as Vice-President. The aim was to encourage the integration of anticipatory governance systematically into the Commission’s policy- and decision-making, in order to use it to inform major initiatives in the Commission Work Programme and detect issues of critical interest. Since foresight is a collective and inclusive process, the EU-wide Foresight Network of ‘Ministers for the Future’ was launched to pool and nurture these new capabilities of Member States. Most Ministers for the Future are also members of the General Affairs Council, which

has become an increasingly strategic formation over the years, also in light of its work preparing for European Council meetings.

In turn, this process provides a vital contribution to the second, longer-term ambition of designing a New European Architecture. At its heart should lie two load-bearing pillars, Resilience and Open Strategic Autonomy, with strategic foresight playing a pivotal role in exploring, anticipating and shaping the future of Europe and of the world.

Resilience, the first pillar of the New European Architecture

In September 2020, in the midst of the COVID-19 pandemic, the Commission published its first Strategic Foresight Report. Titled ‘Strategic Foresight – Charting the course towards a more resilient Europe’, the report sought to learn early lessons from the pandemic, establishing ‘resilience’ as a new compass for all EU policies.

In a context where pharmaceutical products and protective equipment were scarce, the early days of the COVID-19 crisis underlined that Europe needed to reinforce its resilience, strengthening its ability not only to recover from crises but also to emerge stronger and undergo broader transitions in a sustainable, fair and democratic manner. With the global pandemic challenging the momentum towards achieving the twin green and digital transitions, identified in 2019 as two of the biggest priorities for the incoming Commission, the 2020 Strategic Foresight Report therefore focused on informing resilience-enhancing policies across four interrelated dimensions, namely social and economic, geopolitical, green, and digital. Thus, resilience emerged as a new and crucial strategic pillar in EU policymaking.

This is key, as policies benefiting from strategic foresight can better mitigate the impact of crises on relevant megatrends, strengthening the capacities revealed by the crisis, while opening up new opportunities and making Europe more resilient. A straight line can be drawn from this realisation to the creation of the Recovery and Resilience Facility, the centrepiece of our NextGenerationEU recovery plan – a de facto second budget to foster reforms and investment in the Member States in order to boost their resilience.

The COVID-19 crisis exposed a number of vulnerabilities but also capacities underpinning resilience in the EU and the Member States. For instance, after an uneasy start, the EU and its Member States, facilitated by the Commission, put on a united front and overcame the initial knee-jerk competition for scarce medical resources and unilateral action by Member States in the Single Market and Schengen Area, quickly transitioning into improved cooperation and coordination. However, at the beginning, preparedness and prevention, early warning systems and coordination structures had come under enormous strain.

Seeking to learn from this, the 2020 Strategic Foresight Report also introduced the idea of a new tool, called Resilience Dashboards, to monitor and assess resilience. Resilience Dashboards¹ include a set of indicators of vulnerabilities and resilience capacities at EU and Member State level, helping to anticipate developments likely to have adverse impacts, or opportunities which can contribute to enhancing the ability of society to adapt. The choice of this indicator set was informed by strategic foresight, as highlighted for instance by the focus on energy and critical raw materials dependence already in 2020. Despite facing some initial institutional inertia, this new tool has since become part of the European Semester cycle of economic governance coordination and has become a good example of embedding foresight into policymaking.

An integrated approach is key to building resilience. For example, the upcoming EU's Disaster Resilience Goals, designed to support prevention and preparedness actions in the event of major disasters, are vital at a time when we are experiencing first-hand the increasingly severe effects of climate change, from wildfires to floods. With climate change identified as a key megatrend, they can also help further put resilience at the heart of EU policymaking and represent a tangible and action-oriented application of the Strategic Foresight Reports.

Open Strategic Autonomy, the second pillar of the New European Architecture

¹ https://ec.europa.eu/info/strategy/strategic-planning/strategic-foresight/2020-strategic-foresight-report/resilience-dashboards_en

With its brutal and unjustified aggression against Ukraine, Russia has tried to divide Europe. However, it has managed to achieve the polar opposite.

Countries in Central and Eastern Europe have proven their ability to welcome with open arms the millions of people fleeing the violence in Ukraine. In addition, Russia's actions have reinvigorated the European security landscape. Denmark has decided to join the EU's defence cooperation. Finland and Sweden have applied to join NATO – not a development many would have predicted a year ago. Defence budgets are on the rise throughout Europe, with more countries looking to meet the NATO commitment of spending 2% of national GDP. Moreover, as the Russian war against Ukraine further polarises the multilateral system (with some suggesting it is leading to the weakening of the UN and the OSCE), NATO and the EU have stepped up cooperation at all levels, proving that the transatlantic partnership remains at the heart of Europe's security architecture.

Russia's invasion has instilled further urgency in the need to strengthen the EU's role as a global security actor in a world where the very concept of security is being reshaped – one of the fourteen megatrends of the Commission's Megatrends Hub. We are witnessing the weaponisation of new policy areas: vaccines, energy, migration, food, even information. For example, Russia's actions in the Black Sea, and its efforts to sabotage Ukrainian ports, have contributed to the global food crisis by preventing the export of grain, despite the best efforts of the Black Sea Grain Initiative.

The conflict has also dramatically demonstrated how EU over-dependencies can become critical strategic vulnerabilities. Our reliance on Russian energy, for instance, presented Europe with significant problems when Putin decided to switch off the taps, provoking a rapid, far-reaching and unified response. With one eye on the future, we likewise need to ensure secure supplies of critical raw materials, both by increasing domestic production and by diversifying external sources.

Here is where open strategic autonomy, the second strategic pillar of a possible New European Architecture, comes into play. Europe, in cooperation with its international partners, should be fully able to act in a more hostile international environment and maintain its leadership on the world stage.

In this context, to identify early signs of change on a global scale which are not yet on the policy radar due to how quickly shifts in the international, economical and geopolitical landscape can occur, the Commission launched a horizon scanning tool in 2022. This means that foresight experts from all EU institutions convene regularly to detect and validate ‘weak signals’ that are likely to turn into new trends challenging the European Union and our policymaking. We need continuous monitoring of these, and I present the results of this horizon scanning to the College of Commissioners on a regular basis. For instance, a recent round of horizon scanning singled out the battle of narratives between the European Union and China in terms of global issues, values and rights as a harbinger of a fracture in global supply chains and a general weakening of multilateral system. This battle of narratives is also increasingly becoming a ‘battle of offers’, whereby China, also through assertive economic policies, is leveraging its economic and relational power to curry favour with third countries.

In response, we can look at the 10 areas of action outlined in the 2021 Strategic Foresight Report. Tellingly, these included ensuring sustainable and resilient health and food systems, securing decarbonised and affordable energy and securing and diversifying supply of critical raw materials, but also reinvigorating multilateralism. In this context, fostering the European Political Community is part of further strengthening our open strategic autonomy. On top of this, we need to step up our game in a number of areas.

First, with a steep change in defence and security already underway in the EU, we need to be more strategic in terms of our capabilities. The Strategic Compass, designed to strengthen the EU’s security and defence policy by 2030, is an important first step.

Second, we need to take a more geopolitical perspective when it comes to the twin green and digital transitions. This was the focus of the 2022 Strategic Foresight Report, which brought a forward-looking and comprehensive perspective to the interplay between the twin transitions in the run up to 2050.

And third, we need to be more strategic in dealings with the rest of the world and consolidate our partnerships, while staying committed to a vision of a world that is multi-lateral rather than one which is multi-polar.

This will help us reduce the strategic dependencies laid bare by both the pandemic and the war in Ukraine. For example, Europe is striving to reduce its dependence on Russian energy. In 2021, the EU imported more than 40 percent of its total gas consumption from Russia. Thanks to a unified and determined response, we have already managed to slash that to 7.5%, while doubling our imports of LNG from the United States. Norway, meanwhile, has become the most important source of pipeline gas imports to the EU. In addition, EU Member States have agreed to cut their gas consumption by 15% this winter.

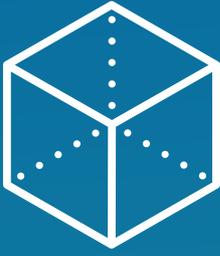
With critical raw materials, our over-dependence on imports is much more extreme than on Russian energy, up to 99 percent in some instances. And they often come from countries which do not necessarily hold the same fundamental values as we do. A secure and sustainable supply of raw materials is a prerequisite for achieving the twin green and digital transitions because they are required for new technologies in strategic sectors, such as e-mobility, renewable energy, security and defence. As a concrete example of the impact of strategic foresight on our Work Programme, the European Commission is working on a proposal for a European Critical Raw Materials Act, with the use of strategic foresight in order to be more self-sufficient in this area. This includes striking the right balance between nurturing our own industrial base, from mining to refining and recycling, and the diversification of sources of supply by creating strategic partnerships. Pursuing raw materials diplomacy, especially vis-à-vis like-minded partners and countries, such as Ukraine, the United States, Canada, Norway, Greenland, and in the Western Balkans, is an important part of it. This is being done to promote the highest sustainability standards in terms of environmental, social and governance performance.

Conclusions

The European Union finds itself at an historical turning point. In fact, we may well have entered the era of “European permacrisis” – a permanent state of crisis and subsequent shocks challenging our very foundations and institutional architecture. But with every crisis comes opportunity. Challenges can serve as catalysts to speed-up the long-term, generational changes our economies and societies are currently undergoing.

To successfully cope with an evolving geopolitical reality and pursue not only the twin green and digital transitions but also our long-term political goals, such as peace and security on our continent, consolidating our position as a leading economic and political actor, and preserving the highest social standards for all, we will need to take a more geopolitical perspective when it comes to our European policies. This means also mainstreaming Europe's resilience and open strategic autonomy in all our work. If we can do so, they can act as building blocks for this New Architecture, with strategic foresight acting as the architect.

For that approach to be successful, we must recognise that foresight requires a collective process involving EU and international institutions, Member States, think tanks, academia, industry and civil society. Together we can make a difference.



The Great Migration of Europeans to One Europe

by Sergiu Manea



Sergiu Manca is the Chief Executive Officer of Banca Comercială Română (BCR) and President of Aspen Institute Romania.

We live challenging times, and the history taught us that challenging times create strong people. Yet I do ask myself how these times can be turned into an opportunity to strengthen European unity.

How willing are we to stand united for our common political, economic, cultural, and social values? Or how many resources do we have to maintain the needed solidarity and cohesion of Europe in an **increasingly unstable and complex world?**

First, I want to believe that these resources are primarily a personal resort. And they are unlimited, as we find our strength in freedom and the power to decide for ourselves and make independent choices. Moreover, the last three years showed that there is not only unity in diversity, but unity in coordinating and applying common measures meant to sustain our **territorial integrity and energy supply, food, health, or financial security**. This comes not only as a blessing and a confirmation for collective responsibility, but also as an assurance that there is only one path: One Europe.

Therefore, I would like to invite you to a picture-story exercise on how we can encourage **migration of Europeans to One Europe**. How can we design One Europe across all operational areas? How can we change “the way we do things around here” with “the One Europe way of doing things”? How can we notch up the formality without creating dizzying bureaucracy? Not least, how we can add a significant layer of

communication and inclusivity policies that even the Eurosceptics understand and approve?

To this moment, EU remains **the most proficient experiment of economic, social, and political integration in the human history**. Nevertheless, almost 30 years after the EU officially came into existence, we have failed to consolidate it **as a single point of contact** in the collective mind. There are still a whole suite of organizations, processes, and areas where we need to be enrolled, or from which we expect integration. For instance, **Eurozone**, a cluster of EU countries which have adopted euro as their primary currency and sole legal tender. Or the **Schengen** area, which allows free movement and travel in an EU country without special formalities. These initiatives have set the administrative foundation of the European Union, but today there is a growing demand to have a better enrollment of their purpose: **to break down barriers**.

A hammer in this wall is the development of **EU capital market**, by integrating national capital markets into a single one. The key benefit of this commitment stays in building a stronger financial system, with a competitive economy and new opportunities for investors and savers.

In this view, One **Strategic Europe** starts with the financial health of its citizens and it is crucial to talk about the benefits of integrated capital markets towards this achievement. Starting from securing the path towards a green and digital economy to building a reliable foundation of funding and investment, all topped by the transparency and integrity guarantee.

On the other hand, One **Resilient Europe** asks for immediate collaboration. Because, wherever you place your finger on Europe's map, your first instinct is to rank and compare the performance of the country in sight. There are the Western regions or Northern countries, known as wealthy and high-income economies. They are known as best practice examples for their highly developed market economy with notable state participation in strategic sectors. At the same time, there are the worst performer countries, suggesting that country-specific factors can play a major role in regional development. Truth be told, we are talking about a fragile Europe, if the average COVID-19 vaccination rate is 95% in Portugal, Ireland, and Malta, while in Romania and Bulgaria reaches only 25%. Or when we say that national security in Slovakia is at an

all-time high, while France is facing terrorist attacks. **These differences lead to Europe's development bottleneck, taking in consideration that the strength of a chain is limited to that of the weakest link in the chain.**

One **Inclusive Europe** should not be an average calculation, but a standard for 700 million of citizens, on each level of development. Starting from the daily shopping basket and the quality of their food to access to utilities, education, and health services. It is about a level of incomes that ensures all a decent lifestyle, including the immigrants living here - continuing to better the lives of all Europeans over the long haul requires sustainability, inclusion, and growth. So, I strongly believe this is the best mark of **One Europe - a mental and physical space featuring the amenities we long for: security, prosperity, stability, and democracy.**

However, we also need the resources to become competitive at scale, close the technology gap and grow our strategic autonomy. Performant economies are the wedding witnesses of the welfare state and innovation state, while the true meaning of this marriage lies in the fact that you can't reach prosperity without digitalization. **The very existence of the welfare state is conditioned by use of technology and automatization, safe work processes, upskilling and reskilling, and, above all, by engaged and satisfied people.**

One **Technological Europe** can outline the technology revolution in different areas, from agri-food to tourism, defense, and service sectors. One Europe can grow the IT&C sector with strong investments in the STEM ecosystem and talent. One Europe can enable disruptive innovations while bridging separate stakeholders' groups and create common goals. One Europe can lead the global clean energy transition, setting the highest standards of climate and environmental protection. One Europe can benefit from novel technological military advances, and there is no doubt that if European Union armies bring together all their capacities, they can be undefeatable. Together we can put Europe's assets in the spotlight, along with the ways in which **digitization can help to improve specific aspects of both safety, efficiency, and sustainability.**

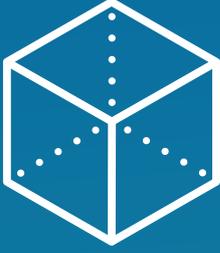
One **Safe Europe** is about stimulating cooperation among national defense industries. We have already made progress towards producing, using, and exchanging technology, equipment, and tactics. Additionally, over the last years, the EU

developed an even closer cooperation with NATO, focused on concrete results. Now, we can step forward on these capacities and establish a single security framework based on shared responsibilities. With evolved defense and security structures, our crisis-management tools can become a key strength in **developing a strategic culture based on our capacity and willingness to act together.**

Competition is the engine of economic growth – it leads to specialization, higher quality of goods and services, greater variety, lower prices, and more innovation. Yet collaboration brings magnitude. Sustained collaboration is about growth and change, about achieving more impact and build large-scale projects anchored in the humanistic, technical, creative talent of half a billion people, where everyone's experience is valuable.

We are many countries in Europe. Many languages, many peoples, many regions. We know very well that we do not get to choose the country we are born in, or who our family is. **But it stays in our power to build the European family, along a living territory that fosters development, democracy, peace, and equality.** Nobody will do it for us if we are not able to do it for ourselves. It is within us to fix what does not work in Europe at this moment, from social inequalities to individualism and nationalism. Moreover, it depends on us to design **Europe as a place where future generations can focus on innovation rather than restoration.**

One Europe is part of ourselves, as diverse we may be, because we live together, and we face the same challenges. **One Europe** is about how we can shift the norms to make things easier, better, and safer for all. **You, me, us - the present and future cast of One Europe.** Because Europe does not belong to us, it doesn't even belong to our descendants, it belongs to the descendants of our descendants... and **this is what history of the Old Europe has really taught us: that One Europe always breeds New Europe.**



Freedom and Prosperity in Eastern Europe

by Dan Negrea, Joseph Lemoine, and Yomna Gaafar



Dan Negrea is the Senior Director of the Freedom and Prosperity Center of the Atlantic Council.



Joseph Lemoine is the Deputy Director of the Freedom and Prosperity Center of the Atlantic Council.



Yomna Gaafar is the Assistant Director of the Freedom and Prosperity Center of the Atlantic Council.

It is one of the most important questions of all time: Do countries need freedom to achieve prosperity? Our essay explores this question by analyzing the evolution of a select group of Eastern European countries since the early 1990s.

The countries we studied shared many similarities in the early 1990s. Politically, they had all been under Communist rule until the late 1980s and several had not been independent countries until the dissolution of the Soviet Union and Yugoslavia. Economically, they were at a comparable development level at the time of the democratic revolutions that swept Eastern Europe in the late 80s and early 90s.

But by 2021 the group was no longer homogenous: they had different levels of freedom, and some had experienced robust prosperity while others had stagnated at a middle-income level. Using the scoring and ranking analysis of the Atlantic Council's Freedom and Prosperity Indexes, described in the Analysis section below, and other measurements, we show that the countries that experienced more political, economic, and legal freedoms enjoy greater prosperity. Conversely, those which progressed less on the path of freedom are also less prosperous.

The Context

The question whether there is any correlation between freedom and prosperity is always worth

studying. But the war in Ukraine gives the debate over development models new timeliness.

Russia's invasion of Crimea in 2014 was preceded by an internal crisis in Ukraine. When President Viktor Yanukovich rejected a deal for greater integration with the European Union, Russia backed Yanukovich's violent attempt to put down protests by Ukrainian citizens who disagreed with his decision. Russia did not want Ukraine to become prosperous and democratic, and thus serve as a contrast with the economically moribund and politically oppressive authoritarian regimes in Russia and Belarus. The 2022 Russian invasion was an attempt to finish the job started in 2014. Putin is trying to keep Ukraine in the Russian sphere of influence, and have it resemble Russia politically and economically.

In its essence, the Ukraine war is about two visions for Eastern Europe. Will Russia succeed in using political subversion and military force to impose on Eastern Europe its authoritarian model in which democratic opponents are imprisoned and killed, and economic activity is rife with corruption and arbitrary interventions by the those in power? Or will the peoples of Eastern Europe be free to choose without interference the democratic and free market model represented by the European Union?

This is a pivotal moment of change for Eastern Europe, similar in significance to that of the collapse of the Soviet Union. Examining the progress made by several former communist countries over the past 30 years can provide useful lessons for the countries of the region and elsewhere.

The Analysis

We first selected from among Europe's formerly Communist countries a group with a comparable level of economic development in 1996, the first year with World Bank data for all post-Communist countries. In that year, the World Bank's lower-middle income group included countries with GNI per capita between \$3,115 and \$786.

Our select group thus became Albania, Belarus, Bulgaria, Estonia, Latvia, Lithuania, Montenegro, North Macedonia, Romania, Russia, Serbia, and Ukraine, all in Eastern Europe.

We excluded countries with a 1996 GNI per capita higher than \$3,115: Poland, Croatia, Czech Republic, Hungary, Slovak Republic, and Slovenia, all in Central Europe. We also excluded countries with a 1996 GNI per capita lower than \$786: Moldova and Bosnia & Herzegovina, both in Eastern Europe.

We then ranked these countries by their progress towards greater freedom by 2021 using the Atlantic Council's Freedom Index. This index assigns scores to 174 countries for their economic, political, and legal freedoms, the latter reflecting the strength of the rule of law in a country. Depending on their score, countries are then categorized as free, mostly free, mostly unfree, and unfree.

We then created two groups. Group 1 includes all countries in the select group that are in the "free" category of this index. Group 2 includes all the other countries in our select group.

Next, for countries in both groups, we compared their GDP per capita levels in 1996 and 2021, and calculated GDP growth multiples for each country and for both groups.

We also checked which countries had escaped the "middle income trap" by 2021. This term refers to the fact that, over the years, many developing countries succeeded in advancing from the World Bank's low income to the middle-income category but did not cross the threshold of the high-income category, which the World Bank defined in 2021 as a GNI per capita of \$13,205.

The final step in our analysis was to look at 2021 measurements of development other than economic growth. We used the Atlantic Council's Prosperity Index, which, while factoring in income as important to prosperity, also reflects measurements on health, the environment, happiness, and government treatment of minorities.

The Results

Table 1: Former Communist lower-middle income countries in Eastern Europe

	Freedom Score 2021	Freedom category	GDP per capita 1996	GDP per capita 2021	GDP Growth Multiple	Escaped Middle Income Trap	Prosperity Score 2021
Estonia	87	Free	13,559	38,207	2.8	Y	66
Lithuania	82	Free	11,275	38,958	3.5	Y	64
Latvia	82	Free	9,961	31,689	3.2	Y	63
Romania	76	Free	12,627	30,855	2.4	Y	60
Group 1 Average	82		11,856	34,927	3.0		63
Bulgaria	71	Mostly Free	12,016	23,432	2.0	N	56
Montenegro	64	Mostly Free	12,579	20,567	1.6	N	55
Albania	64	Mostly Free	4,909	14,520	3.0	N	56
North Macedonia	63	Mostly Free	9,104	16,464	1.8	N	54
Serbia	62	Mostly Free	8,246	19,762	2.4	N	60
Ukraine	54	Mostly Free	7,180	12,944	1.8	N	48
Russia	41	Mostly Unfree	12,827	27,970	2.2	N	49
Belarus	39	Mostly Unfree	5,988	19,751	3.3	N	50
Group 2 Average	57		9,106	19,426	2.3		54

Scores and categories are from the Atlantic Council's Freedom Index and Prosperity Index.

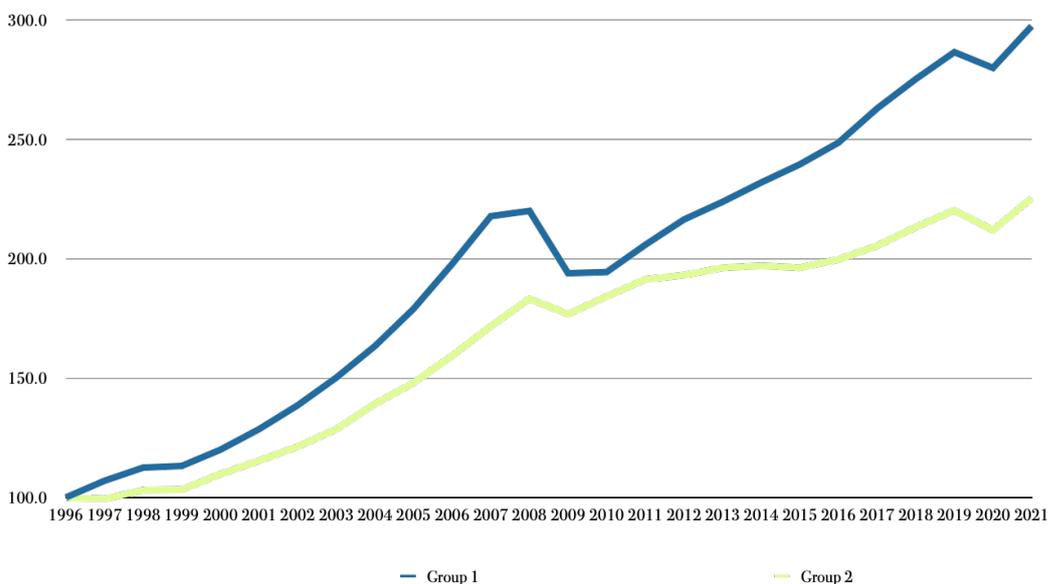
GDP per capita data are measured by Purchasing Power Parity (PPP), constant 2017 international dollars. GDP per capita data are from the World Bank. For Montenegro, the 1996 GDP value is for 1997, the earliest available.

The high-income threshold (middle-income trap limit) for 2021 was set by the World Bank at \$13,205 GNI per capita, Atlas method, current US dollars (Note: It is a different scale from the GDP per capita values in Table 1).

- » In 2021, the countries in Group 1 had a freedom score 40 percent higher than that of the countries in Group 2. The average freedom score of 82 for Group 1 countries compared favorably with the score of 85 for OECD countries. The freedom score average for Group 2 was only 57.
- » By 2021, the countries in Group 1 had grown faster than those in Group 2. Between 1996 and 2021, the GDP per capita of Group 1 countries increased 3.0 times while that of Group 2 countries just 2.3 times (Table 1 and Chart 1).

- » All countries in Group 1 escaped the middle-income trap. None of the countries of Group 2 did.
- » All countries in Group 1 also tend to rank better in the broader Prosperity Index than those in Group 2. Serbia is the only Group 2 country to achieve a Prosperity Score within three points of the Group 1 average. Although Serbia's GDP Growth Multiple is consistent with those of the other countries in Group 2, it outperforms them on the Environment, Minority Rights, and Happiness indicators in the Prosperity Index, thus raising its total Prosperity Score.

Chart 1: GDP per capita growth 1996 to 2021



Average GDP per capita, PPP, constant 2017 international \$, (1996=100)

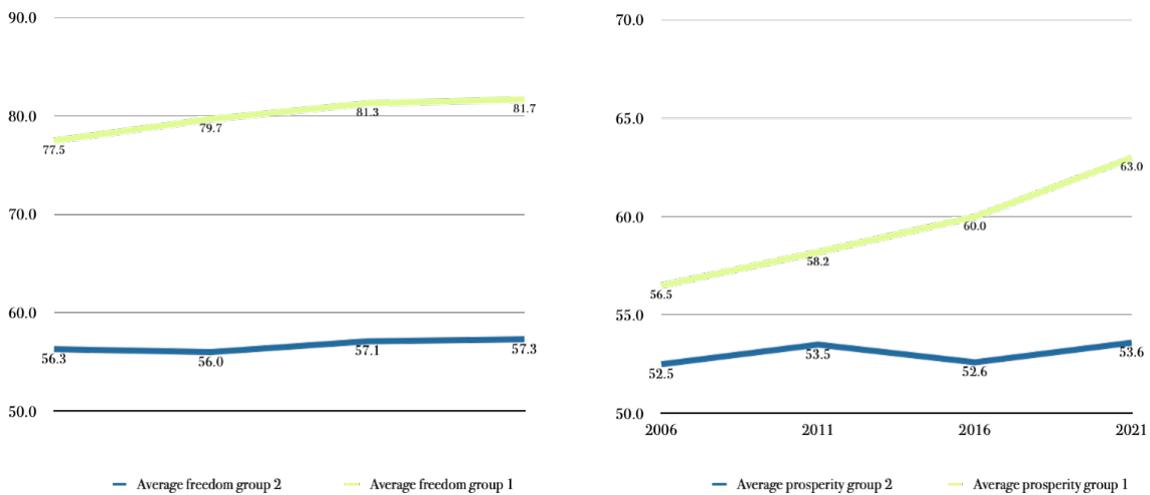
Data are from the World Bank.

Another way to explore the performance of the two groups of countries is to use the scores in the Freedom Index and the Prosperity Index for the past 15 years – please see Chart 2.

Between 2006 and 2021, the Group 1 countries improved their scores on these two indexes by 5% and 11%, respectively. The corresponding number for Group 2 was 2%.

High and improving freedom scores indicate countries with positive conditions for greater prosperity. Such situations create cycles of reinforcement in which more freedoms build a prosperous middle-class citizenry that demands yet more freedoms that in turn perpetuate more human flourishing.

Chart 2: Average freedom and prosperity scores between 2006 and 2021



Source: Scores from the Atlantic Council's Freedom and Prosperity Indexes

Policy Implications

Our data suggest that countries that want more prosperity should increase their economic, political, and legal freedoms, with the latter being defined as an impartial rule of law; transparent, corruption-free, and effective political institutions; and good governance.

Our analysis also points to a positive role for the European Union (EU). All the countries in Group 1 are members of the EU. And so is Bulgaria, the Group 2 country with the highest freedom score and second highest prosperity score. All the other countries in Group 2 are candidates to EU membership, with two notable exceptions: Russia and Belarus. These two countries have the worst freedom scores and the second and third worst prosperity scores in our select group.

The source of the appeal for EU membership is clear. In 2021, the average freedom score of EU member countries was 82, which compared with 62 for our group of EU candidate countries, or 33% higher. The respective prosperity scores were 75 and 55, or 37% higher. Using a narrower measure of prosperity, the respective average 2021 GDP per capita numbers were \$44,024 and \$16,851, or 161% higher.

Former Soviet Bloc countries that joined the EU left behind their Communist history of political repression, inefficient centrally planned economies, and corrupt judicial processes. Instead, they entered a world of political and economic freedom, respect for the rule of law, and prosperity. The EU offers these countries a free trade area for their companies pursuing business growth and freedom of movement for their citizens seeking educational and work opportunities.

During the long years of preparation for EU accession, candidate countries had to implement many profound reforms and show perseverance in their progress away from their Communist past. Corruption, in particular, was a pervasive problem. The current EU membership candidates will need leaders of intense political will, who are prepared to push meaningful reforms – especially in their national judiciary and law enforcement systems.

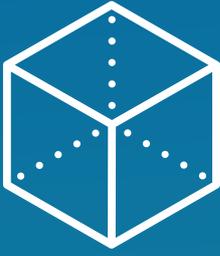
Some analysts and public commentators complain that the EU's leadership is unelected and unaccountable to voters, that the EU is overly bureaucratic and growing more so, and that it is often insensitive to important cultural traditions of member countries. To a majority of the Brexit referendum voters in the UK, a developed country with a long democratic tradition, these and other perceived disadvantages of EU membership outweighed the advantages. But for Eastern Europe's former Communist countries, the EU's rules and standards catalyzed national consensus for reforms to make a clean break with their former malefic and malfunctioning Communist political and economic system. Today, EU support for reform in candidate member states, culminating in their EU membership, is a propellant for freedom and prosperity in these countries.

Which leads us to Ukraine, whose strong desire to join the EU and the free world in general was one of the main reasons for the Russian aggression against it, both in 2014 and in 2022. The Ukrainian people have heroically proven their determination to be forever free from domination by the Russian state, which to this day preserves many

of the Soviet Union's pathologies in its political and economic structure. In 2022, Ukraine asked for accelerated consideration of its EU membership, and the EU granted it candidate status. But Ukraine has a long way to go to meet EU standards. Its standing in the Atlantic Council's indexes is telling: In 2021, before the Russian invasion, Ukraine had the third lowest freedom score among Group 2 countries and the lowest prosperity score.

Conclusion

In time the war will end, and Ukraine will rebuild. Ukraine will need profound societal reforms as part of its rebuilding process, especially regarding corruption. Its people will have to show in this task the same courage and determination as it is showing in the war. But they are clear about their choice. They believe that greater economic, political, and legal freedoms are the surest path towards prosperity. And that the EU has a key role to play in helping them along the way. Other former Communist countries in Eastern Europe that aspire to join the European Union need to also stay the course regarding their own path of reform.



A nascent EU geopolitical leadership

by Karel Lannoo



Karel Lannoo is chief executive of the Centre for European Policy Studies (CEPS).

The Ukraine invasion has forced the EU to become geopolitical in a matter of a few weeks.¹ What seemed a faraway objective at the beginning of 2022 for the European Commission, the executive body of the EU, that of becoming a ‘geopolitical Commission’, became a reality with the adoption of several packages of sanctions on Russia, the use of the European Peace Facility (EPF) for arms deliveries to Ukraine, and the endorsement of the [Strategic Compass](#) or the EU’s roadmap towards a stronger geopolitical actor. Nevertheless, much remains to be done, and the Ukraine crisis revealed yet again deep structural shortcomings in EU policymaking, this time in the EU’s foreign, security and energy policies. A further profound change is needed if the EU wants to be a real geopolitical actor, not the locus of the lowest common denominator of the interests of its member states, or a weak international association.

Structural changes in the geopolitical domain touch upon competences and decision-making procedures, upon setting strategic priorities and the need for stronger coordination, upon resource pooling and better use of existing expertise. Europe has, through past crises, managed to adapt and upgrade existing cooperation structures, be it in finance, fiscal or health matters. During the Covid-19 crisis, the EU Commission convinced its member states that [a common response](#) in the joint purchases of vaccines was more efficient, in a

¹ The author is chief executive of CEPS, the European think tank (www.ceps.eu). Comments by Ilke Toygur, Steven Blockmans and Zach Paikin are gratefully acknowledged.

domain that is otherwise closely guarded for EU interference. Yet it succeeded, while at the same time [exporting](#) vaccines to developing countries. The quick response to the Ukraine invasion by Russia demonstrated the capacity to react as a Union, but we should not take it as a given that [Putin's war will make the EU stronger](#). From being more inward-looking, focused on achieving a single market, the EU will need to develop the structures, instruments and mindset to become a true geopolitical actor.

The strong consensus to adopt far-reaching sanctions against Russia, by unanimity among its 27 member states, and the use of new foreign policy instruments hides the residual reluctance to become a more effective actor, given the strong differences in national foreign policies, or the often ineffective existing structures. The EU will now have to focus on this, and ensure it can act better in the future. The 'Strategic Compass', adopted by the European Council during the meeting of European leaders in the midst of the crisis in March 2022, addresses some of these shortcomings, yet much more remains to be done.

An unfinished Common Foreign and Security Policy

Attempts to forge a truly European foreign policy are as old as the fall of the Berlin Wall and the end of the Soviet Union. Some thirty years ago, a chapter on Common Foreign and Security Policy (CFSP) was hastily added to the EU's Maastricht Treaty. That Treaty is better known for the foundations of European Economic and Monetary Union, which was long and thoroughly prepared. The Lisbon Treaty established the European External Action Service (EEAS), a separate EU entity led by the special High Representative for foreign policy, but its effectiveness is still a matter of debate. European foreign and security policy has not advanced much beyond numerous declarations, reflections and meetings, and a few joint missions, especially in Africa. With the exit of the UK from the EU, the latter lost out in the clout of its joint foreign policy actions, despite the fact that the former had been a major obstacle in adopting common positions.

Over the past decades, the EU has managed to become a global rule maker. The Union has set the tone for countries around the world, in rules on data protection and digital service providers, as well as on product safety or emissions. By comparison, foreign

and security policy of the EU remain largely national. For citizens of many smaller EU countries, 'abroad' already begins several dozen miles away from a nation's capital. While the EU has made enormous progress with its single market and the free movement of people, defence policy is understood only to defend national interests. National defence policy is thus an anachronism, it is no longer adapted to the economic and general interest of Europeans. Notwithstanding repeated calls from the US, over several administrations, to increase defence spending, many EU countries put their security interests on a backburner, in the shadow of successful economic integration, only to realise now that their defence policy is out of date in the face of threats from the East.

Some would argue that EU's defence is ensured by NATO, which regained its original 'raison d'être' due to Russia's aggression. The Alliance has indeed an operational defence structure, that the EU lacks. Nevertheless, NATO is the legacy of the immediate post-war period, it relies heavily on the US, and has a slightly different and broader membership than the EU. NATO's structure is exclusively inter-governmental, limiting its operational capacity.

The EU's High Representative for foreign policy leads the EU's Foreign Affairs Council, but needs the unanimous support of the member states for most of his decisions. The EU created the European Defence Agency (EDA), based in Brussels, to help member states coordinate needs of defence material, as a preamble to a European army. Yet absent a permanent European battle force, there is not that much the High Representative can do in the realm of security.

The strategy of the EU's Compass

A Strategic Compass now sets the guidelines for the EU to become [a fully-fledged security actor](#). Started in June 2019, it was finalised during the early stages of the Ukraine invasion. The compass is the EU's geopolitical awakening to a permanent strategic posture, setting for a shared assessment, targets and milestones, and new ways and means to defend the collective security of the EU. It proposes the creation of a permanent Rapid Deployment Capacity of 5,000 troops, still a small number compared to NATO's 40,000 response force (soon 300,000 under the new [NATO Force](#)

[Model](#) agreed at the recent Madrid Summit), and the 100,000 that were proposed by the Helsinki European Council (December 2000) in the midst of the Balkan wars. The operational headquarters of the proposed EU troops will alternate.

But the Compass hesitates between European defence, or the reinforcement of EU-NATO cooperation, and the respect of the ‘specific character of the security and defence policy of certain Member States’. It aims to strengthen military control and command structures in the EU, not integrate them. It provides for reinforcement of external military missions at a moment that the appetite for such operations in member states is very low. It requests strategic autonomy for the EU when it seems that NATO is more the solution to defend the autonomy. It proposes bilateral relationships with NATO partners and Japan, but not with Turkey, a NATO yet non-EU member. Furthermore, it sets a distant implementation deadline of 2030, when the urgency is now.

If there is one element clearly missing in the Ukraine crisis, it is European intelligence, or even more capable national intelligence agencies. The debate already emerged after the chaotic withdrawal from Afghanistan, and of US’ failure to promptly inform its European partners on the Taliban comeback and the imminent withdrawal of US troops. In the case of Ukraine, the US acted to the opposite, constantly [warning](#) its European partners of the build-up of Russian troops along the border, and the imminent invasion. Russia also warned Europe in no unclear terms with its [17 December 2021 Ultimatum](#) to respect the post-Cold War order. Europe, however, was naïve and ignored the true intentions of the Kremlin, also the result of a lack of a credible intelligence of its own. That could have helped the EU take the build-up of troops on the Ukraine border more seriously, and understand Kremlin’s intentions.

The Strategic Compass proposes to boost the EU’s intelligence capacities, yet it falls short of proposing a clear structure, of indicating how the EU will achieve performant European intelligence, what governance structure is needed and what would the timeline be. It proposes to strengthen the single intelligence analysis capacity (SIAC), which depends on the voluntary contributions of member states’ intelligence and security services. It does not propose, however, a proper European intelligence agency, but pools existing information from member states’ sources, which raises the question about what is shared, and at what levels of access. National intelligence is

closely related to the concept of national sovereignty and the perception of threats. As long as European sovereignty and its challengers are not clearly defined, the EU will lack proper and efficient intelligence, with all the risks this entails.

Cyberthreats and work on cyberspace are highlighted in the Compass, in addition to the threats of foreign interference, but ENISA, the European agency in charge, lacks the base to act as a full Europe-wide monitoring hub. Which pushes the EU to rely again on NATO, which has a track record on cyber defense matters, and it has recognised cyberspace as a domain of operations in which the Alliance must defend itself since July 2016. However, cyber is more than only virtual cyber threats and danger for critical infrastructures, it is also connected to the governance of digital space, data sharing and security rules. All are core EU competences, meaning that efforts on both sides should be well coordinated and integrated where possible, and this is not the case yet.

Further clarifying the EU's relations with its neighbourhood

Four out of six Balkan states enjoy EU candidate status and are involved in accession discussions, of which two small states, North Macedonia and Montenegro, have been waiting for close to 20 years. The Strategic Compass sees a lack of security and stability in the Western Balkans, also due to increasing foreign interference, but it is precisely the EU's incapacity to offer a clear perspective to the region that supports such instability. The June 2022 European Council agreement to examine and accept the membership requests of two other states, Moldova and Ukraine, in the midst of Russia's illegal invasion, demonstrates the EU sees to its strategic responsibilities. To be achieved, the membership of current candidates requires clear time limited perspectives, and further reforms of EU's governance, but this is not very likely to be achieved. On North Macedonia, French diplomacy in March 2022 [torpedoed](#) its demands for opening accession negotiations, by requiring impossible constitutional changes to give assurances to the Bulgarian minority, thereby thwarting the hopes of the other candidates in the region. Further extension of the EU is thus on the agenda, but should not be expected very soon, even if membership negotiations have now been formally opened with Albania and North Macedonia.

The Compass misses the opportunity to propose a new security architecture for Europe, or is the time not yet ripe for this? It does not explain the relationship with PESCO, the structure for defence cooperation created by 25 member states five years ago. The purpose of OSCE for broader European security is also not addressed. Given the Ukrainian invasion by the crucial member of the OSCE, is it better to abolish it all together than to keep it dormant for a few decades, or to absorb it within the broader concept of European Political Community (EPC), which President Macron launched during the French Presidency of the EU Council, in the first half of 2022, but which requires substantiation. The first EPC meeting in Prague on 6 October with 44 European states was a [success](#), mainly as it met as a united front against Putin's Russia.

Relations with China are not elaborated on in the Compass, constituting the biggest missing theme. The future of EU-China relations has to be faced, given the deep commercial relationship between both, and the mutual dependence, as is the case between the US and China. Since the conclusion of the China-Europe Investment Agreement (CAI) at the end of 2020, relations have rapidly deteriorated, with the blacklisting by China of a group of politicians and intellectuals, the coercion against Lithuania, and the backing of Russia in its war with Ukraine. The EU has started to consider whether China could act in a similar way as Russia, and use economic weapons against Europe, and is now more carefully examining these dependencies.

The integration of Europe's diplomacies

Joint intelligence starts with unified European diplomacy. As compared to other blocs, Europe has the [highest number](#) of diplomats and diplomatic missions in the world. It has national diplomatic services and a dedicated EU one, the European External Action Service (EEAS). Within national diplomatic services, the large majority are involved in bilateral relations, much less in EU related matters, which is, although highly regarded, seen to be very technical and complex. But European diplomacy is a big spaghetti, with no central clearing house of information, unclear command structures and confusing reporting lines.

In times of a major security crisis, as the one we are witnessing today, functional diplomatic services under a central command are crucial to ensure common intelligence sourcing and common actions. Yet member states work under blurred communication lines, in both a national and, in certain cases, European context. It is to be questioned whether all foreign affairs ministers, when returning from the monthly Foreign Affairs Councils in Brussels, mandate correct translation of the EU's decisions in the national administration, and act accordingly.

Take the bilateral negotiations of European leaders with Putin during the first months of 2022: is there any structure for advanced notification and approval of such meetings, and de-briefings in an EU context? Or take the case of Brexit and the UK's attempts to cement bilateral relations with EU member states: are there any guidelines from the EEAS? European diplomacies still live in a state of reputational competition, where larger countries prefer to go alone, whereas smaller countries, the large majority, see more advantage in structured cooperation, and do not want differentiated integration. As with the creation of the European monetary system over 30 years ago, which led to the creation of the ECB and the euro, an initiative is needed to inspire the structure of a truly integrated European diplomatic service, with clear hierarchies, information sharing, and decision making. Structures indeed exist in the EU Council and the EEAS, but they need to be re-appraised, [move beyond the think tank mode](#), clearly layered, and empowered.

The weaponisation of finance and energy

The sanctions against Russia (and Belarus) for its illegal invasion of Ukraine demonstrate that joint action is possible and effective, even as it requires unanimity among EU foreign ministers. The first package adopted on 27 February 2022 proved to Russia that joint action was indeed possible. High on the list is the freezing of international assets of the Russian Central Bank, as well as those of large Russian corporations and wealthy individuals. The pace should have been maintained as the atrocities of the war amplified, and this has proven more difficult lately, due to Europe's vital dependence on Russian energy, and the lack of unity among the 27. An effective use of the frozen assets for Ukraine's reconstruction will require special

structures for confiscation, and this will become very complex, given the diversity of national laws.

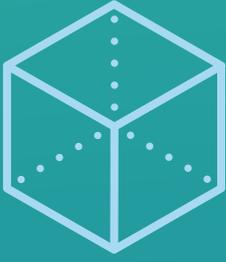
Central in the package is the SWIFT ban for banks, used successfully against Iran in 2012. Nevertheless the ban remains incomplete to date, after the eighth package adopted at the end of October, with the largest Russian bank, Gazprom Bank, still left out of the ban for the sake of gas payments. This can be circumvented with other forms of messaging systems, other payments schemes, or through banks excluded from the SWIFT ban, which also include EU banks active in Russia. More recently, the EU has prohibited all transactions with Russian citizens, also with securities based in EU depositaries. As such, the EU has discovered the strength of its unified legal framework for securities transactions and custody. The priority is now to make the sanctions work and ensure they are applied consistently in the EU member states. So far, limited evidence points to scattered implementation and enforcement, and limited overall impact on Russia's economy.

The use of oil and gas as a weapon by President Putin was the biggest surprise of this crisis on the European side. It again demonstrated Europe's lack of strategic thinking on a crucial resource and its dependence on a rogue state, despite the evidence of the dangers of such situation since over the half a century. Until today, the large majority of EU states have not thought strategically enough about energy supplies and autonomy, and most of them still have very limited reserves. Energy supplies are of national competence, and the EU has now mandated minimum reserve levels, and common gas reduction targets. Yet a common policy was not in place before, with the EU apparently blindsided by its desire to decarbonise energy sources, and bound to discover its huge dependence on Russian gas (40% for Germany) when it was too late.

What is to be done about energy supplies in the midst of the crisis, in the knowledge that such dependencies cannot be reduced rapidly, and that there is the commitment to decarbonise to limit global warming? Reduce energy consumption in the short term, get shipments of LNG gas instead of Russian piped gas, and phase in renewables more rapidly. Tax Russian gas, or have a price cap, to accelerate the decline in its market share, and assist member states in exploring other resources. Europe, unlike the US, has a major problem, and the high cost of energy is leading to major economic disruptions in Autumn-Winter 2022-23, with all the consequences this entails.

Much of the ineffectiveness in Europe's foreign policy is related to a lack of clarity in the division of competencies, or to the governance system that requires unanimity. EU leaders such as Macron and Scholz began to refer to European sovereignty, but in foreign, defence and energy policies the competence rests at national level. As long as this will be the case, this will be exploited by foreign powers to disable the EU member states from taking common positions. The strongest EU actions against Russia are in those domains where the EU's competence is clearly set: finance and trade. This should be a lesson for EU leaders.

For outsiders, developments within the EU are often obscured by a myriad of terms, initiatives and reports, which make an assessment of its state and prospects very difficult. Russia's illegal invasion of Ukraine has been an awakening for the EU and its member states, forcing them to react strongly and jointly. To become a real geopolitical actor, however, much work is left for the EU, starting with the creation of a truly integrated EU diplomacy, an EU intelligence, but also the governance structures to make them function properly. This will be even more important as the EU is back on a very difficult expansionary course.



Young Aspen Leaders

A Comprehensive New European Architecture: technology, democracy and security

by Gerardina Corona



Gerardina Corona is a Lieutenant Colonel, Chief of the Press Office-External Relations, Carabinieri Corps Headquarters, Rome; Alumna Aspen Institute Italy.

Since 2020, events that have affected the entire world have impacted people's daily lives setting new priorities and creating a "new normality". The first major event of this changing season was the Covid-19 pandemic.

To address it, each Government searched for the right tools to deal with and manage the disease: oxygen cylinders, masks, ventilators and vaccines have been crucial, especially as the prime example of international cooperation. In this historic phase, the exchange of information and data management has gained strategic importance for the security of nations, so discoveries that could help end the pandemic were to be fostered promptly.

The second major recent event that shook the global balance was the invasion of Ukraine by the Russian Federation. Here, too, the management of data and information has had a fundamental impact on the course of events in a multitude of levels.

Information is widely used as an indirect weapon in projecting soft power: targeted propaganda campaigns, dissemination of fake news and systematic censorship of information sources associated with the perceived enemy.

Furthermore, data and information are at the center of a real digital battle - the cyber warfare. It is not just people who are susceptible to IT attacks; on the contrary, in most cases the objectives are the IT systems of infrastructures and strategic companies, with the intention of damaging,

cancelling or requisitioning access to data, interrupting business continuity and the efficient delivery of services.

It is in this context of crisis that the concepts of “European technological sovereignty” and “strategic autonomy” have emerged. This should not be perceived as a bypass to NATO, it actually strengthens the alliance, given its interdependency with the EU.

The EU needs to develop a serious technology plan and worthy of its economic magnitude, considering that the Union is the most important economic platform in the world, and the European members of NATO have four times the population of Russia and 12 times its GDP. The growth path of European technological and digital sovereignty must be built by constantly maintaining the combination of technological investments and regulation¹.

In addition, we have seen in recent years the instrumentalization of migrants, the privatization of armies and the politicization of the control of complex technologies. Add to this the dynamics of state failures, the retreat of democratic freedoms, as well as the attacks on the “global commons” of cyber space, the high seas and outer-space, and the conclusion is clear: the defence of Europe requires a comprehensive concept of security. We see conflicts, military build-ups and aggressions, and sources of instability increasing in our neighborhood and beyond, leading to severe humanitarian suffering and displacement. Hybrid threats grow both in frequency and in impact. Interdependence is increasingly conflictual and soft power weaponized: vaccines, data and technology standards are all instruments of political competition².

As such, given the both the number and the multiple (hybrid) forms of threats,, strengthening civil and military cooperation has become essential.

The EU’s civilian CSDP missions, provide an essential contribution to rule of law, civil administration, police and security sector reform in crisis areas. They are also crucial in the EU’s wider response by non-military means to security challenges, including those linked to irregular migration, hybrid threats, terrorism, organised crime, radicalisation and violent extremism.

¹ *Speech by Commissioner Gentiloni at the Peterson Institute for International Economics: Transatlantic economic policy in times of war. 21st April 2022 Washington, DC.*

² *A Strategic Compass for Security and Defense - For a European Union that protects its citizens, values and interests and contributes to international peace and security, Council of the European Union, 21 March 2022.*

The EU also needs to remain strongly committed to promoting and advancing human security and the respect of and the compliance with International Humanitarian and Human Rights Law and the protection of civilians, including humanitarian personnel, in all conflict situations further developing due diligence policy in this regard.

Hybrid threats and connectivity

State and non-state actors are using hybrid strategies that include cyberattacks, disinformation campaigns, direct interference in elections and political processes, economic coercion and the instrumentalisation of irregular migration flows. Russia and China are not shying away from using emerging and disruptive technologies to take strategic advantages and to increase the effectiveness of their hybrid campaigns. In the Cyber domain, our forces need to operate in a coordinated, informed and efficient manner. We will therefore develop and make intensive use of new technologies, notably quantum computing, Artificial Intelligence and Big Data, in order to achieve comparative advantage in cyber responsive operations and information superiority. Cyber defence is paramount to ensure that Enhanced Military Mobility unfolds its full potential as essential enabler.

At the same time, free and safe access to global strategic domains is more and more contested. Cyberspace has become a field for strategic competition, at a time of growing dependence on digital technologies. We are increasingly facing more sophisticated cyberattacks. It is essential to maintain an open, free, stable and secure cyberspace. Notwithstanding the principle of the peaceful use of outer space, competition in this domain has strong security and defence implications. It is key for observation, monitoring, navigation and communication capabilities, yet it is a congested and contested domain.

Maritime security in the Baltic Sea, the Black Sea, the Mediterranean and the North Sea, as well as of the Arctic waters, the Atlantic Ocean and the outermost regions is important for the EU's security, our economic development, free trade, transport and energy security. Maritime zones, critical sea lanes of communication and several maritime chokepoints as well as seabeds, are increasingly contested.

The recent explosions at the North Stream pipeline raised the level of attention to the safety of these vital infrastructures, and have also turned the spotlight on what would happen if such an attack was carried out against submarine cables for Internet connections.

In fact, geopolitical competition is evolving more and more from the “war for the territory” to the “war for connectivity”, that is a constant tug of war between states for their supremacy over global supply chains, energy markets, industrial production and on the very precious financial, technological and knowledge flows. In this context, therefore, attacking the submarine cables responsible for managing the Internet traffic of large portions of state territories, or even entire continents through the so-called “bottlenecks”, would significantly weaken the actors thus affected.

The threat is real, as are its material consequences. This is mainly due to both the lack of security around this type of infrastructure, and the willingness of authoritarian regimes to increasingly attack non-military targets, using hybrid warfare techniques. Submarine cables are highly important for the functioning of the Internet network and, implicitly, of the services that depend on it: - they enable 97% of Internet traffic, and about 10 billions dollars in financial transactions every year),

Imagining the Internet as something “ethereal” and intangible is a naivete we cannot afford, as we risk underestimate the threats to the primary technological infrastructures on which the Internet has always been based.

A common European security architecture will have to be put in place above all through strengthening the security of information and communication technologies, as approved by the EU member states during the European Council held in Brussels on 20 and 21 October.

Looking at technological developments with a view to a new security architecture, Europe will certainly not be able to neglect the theme of AI (Artificial Intelligence) in the military field, developed in consideration of shared and ethical values. In the absence of a common European Army, the condition sine qua non for expanding interoperability between the Armed Forces of member countries is investing in shared defence systems, with technological ones playing an increasingly important role.

The digital world and democratic principles

It is precisely on this last aspect that an in-depth study is necessary, in order to avoid that the development and technological progress, used to enhance European security, takes a path not compatible with ethical and democratic principles. The relationship between digital technology and democracy will therefore have to redesign the boundaries of freedom and the extension of power, but at the same time the implementation of these new technological tools will have to be applied with caution, always taking into account the strength of the democratic fabric³.

First, as outlined in the study prepared by a European task force on the subject of democratic artificial intelligence⁴, such a revolutionary and certainly invasive technological development needs to be essentially based on principles such as justice and autonomy.

The importance that ethics should remain at the heart of any use of technologies, especially where they are entrusted to institutions as a new means of security architecture, was at the heart of the EU-funded initiative in 2012, RISE (Rising pan-European and international awareness of biometrics and security ethics), in which an important debate was launched regarding the case of biometric techniques capable of allowing the collection of enormous amounts of data on people. In this case, the use of information and biometric technologies, conceived as democratic forms of control and respectful of citizens' rights, can be tools capable, among many objectives, of reducing illegal immigration and facilitating the fight against terrorism and to organized crime. However, the delicate aspect of these tools is that the technologies that make use of biometric identification (e.g. facial recognition) are considered by the European Union to be intrusive systems because “they evoke a feeling of constant surveillance and indirectly dissuade from exercising the freedom of assembly and other fundamental rights”⁵.

A report of the European Council on Foreign Relations entitled “The Geopolitics of technology: how the EU can become a global player”⁶, highlights the following recommendations for the purpose of a democratic use of technologies:

³ “Democracies and Power of data”, A. Soro.

⁴ AI4 PEOPLE project.

⁵ Press release, European Commission, 21 April 2021, Europe ready for the digital era.

⁶ <https://ecfr.eu/publication/the-geopolitics-of-technology-how-the-eu-can-become-a-global-player>

-
- » the creation of a global fund to protect democracies, with the aim of protecting democratic elections from potential foreign interference operations and cyber-attacks;
 - » creation of a fund to facilitate global regulatory convergence on digital rights, to ensure the security of electronic communications and an ethics of artificial intelligence;
 - » lead the establishment of a global alliance on democratic governance and the ethics of technology (this fundamental) by facilitating the creation of committees on the democratic use of technology;
 - » ensure, at the same time, a rapid and effective application of technological sanctions.

Investing in innovation and making better use of civilian technology in defence is key to enhancing our technological sovereignty, reducing strategic dependencies and preserving intellectual property in the EU. It is also necessary to foster synergies between civilian, defence and space research and innovation, and invest in critical and emerging technologies and innovation for security and defence. Strengthening the resilience of our supply chains and industries' access to private funding will be necessary for the European Defence Technological and Industrial Base. The European Investment Bank should also use all its tools to contribute to that effort. It is equally important to ensure that horizontal EU policies, such as initiatives on sustainable finance, remain consistent with the European Union efforts to facilitate the European defence industry's sufficient access to public and private finance and investment⁷.

The management of the enormous amount of data available today (Data Governance), the definition of the new relationship between human beings and Artificial Intelligence (Human Automomy Teaming), the use of Autonomous Systems to support or replace the military, the regulation of the new domain Space, the strategic impact of the hypersonic threat, the new potential of quantum technology and the application of biotechnologies to the civil and military context are just some of the issues developed that require specific in-depth analysis in terms of implications for defence and international security.

⁷ *A Strategic Compass for Security and Defense - For a European Union that protects its citizens, values and interests and contributes to international peace and security, Council of the European Union, 21 March 2022*

The challenge of Artificial Intelligence and the EU's response

In the light of a new revolution and technological transformation, a profound cultural change therefore appears inevitable, which will certainly require new priorities, courage and determination, speed and adaptation to new levels of risk, investments and an ever-greater search for concrete and effective synergies.

Progress and technological innovation entail multiple challenges and offer great opportunities. Society, economy, politics and the military world are modified and influenced by the pervasiveness of new technologies, without however fully understanding the real change or the extent of the consequences. Not all inventions have brought about the desired advantages and transformations but, on the contrary, some have given rise to instability, criticality and generated new and heterogeneous forms of threat. The reality is that humans, in their ability to progress and innovate, must necessarily increase their ability to adapt, and focus on predicting the effects of their actions.

The evolution of technologies (innovative, emerging or disruptive that they are) changes at a surprising speed and the main challenge, especially for future generations, will be to operate with speed, in a predictive mode and, unfortunately, living with a potential degree of indeterminacy, insecurity and increasing risk. It is therefore essential to identify and study those indicators which, if caught and intercepted in good time, will make it possible to anticipate the changes underway, and those that will probably manifest themselves in the medium and long-term future. It is therefore essential to support a concrete cultural and cognitive transformation that leads us to develop a real "Culture of Innovation".

Technological innovations, which have contributed to the improvement of living conditions, are the result of the evolutionary development and the work of human. In consideration of the disruptive strength inherent in "emerging and disruptive technologies", we are called upon to better govern and manage their development and future use.

A revolution that, in reality, also embraces the training sector, the employment of personnel and leadership, transforming itself into a substantial and important mindset change.

In this vein, the application of artificial intelligence to military defence raises a number of ethical and regulatory issues, some of which appear particularly relevant: first, the correct dosage of AI, or the balance between its non- and excessive use.

Human organizations often pose unjustified obstacles and strong “internal” resistance to the use of innovative and transformative technologies. This is an example of underutilization often seen in public administration sectors such as health, justice and education; yet, not even the business world is immune, although it is known that AI is primarily what gives today's companies their competitive advantage.

On the other hand, the growing presence and relevance of Artificial Intelligence systems in contemporary societies has implications that transcend the technological aspect and possess a profound transformative potential, yet raising questions of an ethical, legal, organizational and moral nature. In fact, all these applications are undoubtedly revolutionary in scope and open scenarios full of further potential, but at the same time they involve various risks, often inherent in ethical, legal and social acceptance issues, whose interpretation is not univocal, nor is the way to approach it.

Among the most debated issues, is that of the responsibility for any damage caused by devices that make use of AI (of the manufacturer? of the owner? of the algorithm programmer?). Numerous approaches have been proposed, all depending on the degree of autonomy and the application context (among these there is one that suggests the establishment of an “electronic personality”).

Another concern is on the values to be used as a reference for the ethical evaluation of AI (a possible answer could be to use the Charter of Fundamental Rights of the European Union) and the ethics of the use of robots in the military, highly divisive issues with persuasive arguments on all sides.

Furthermore, the processing of personal data through facial recognition and very detailed profiling of individuals, in order to understand interests and propensities to purchase products, can lead to biases determined by the type of data that have been used to train the AI algorithms.

It is no coincidence that the issue of the unconscious re-proposition of discriminatory prejudices deriving from cognitive biases has assumed considerable importance in

the debate on new technologies which, reflecting in the type of data entered and, therefore, in the algorithms, would effectively nullify the supposed impartiality of AI systems. These conditions include a plurality of human characteristics such as ethnicity, age, gender, sexual and / or religious orientation. Basically, since the functioning of the algorithms is based on the entry of “historical” data, the risk that these data reflect historically established prejudices and social distortions is very high.

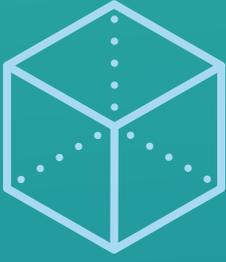
The analysis of future scenarios (2040+) indicates an increasingly decisive and pervasive role of emerging and disruptive technologies that will substantially change society, the economy, politics and the dimension of national and international security and defence. Technological development, characterized by an exponential trend, proceeds so rapidly that it does not give the opportunity to understand the change, let alone the related consequences. A proactive and shared approach is therefore necessary between institutional actors, the academic environment, the industrial world and research to bridge the conflict between the life cycle of technologies and development and procurement times. The ability to develop and implement these technologies then focuses on the essential issues of the independence of a state as a fundamental tool to support its level of strategic ambition with respect to its main competitors.

It is clear that efforts to intercept technological development in a predictive key must be supported by a “new” attitude that takes into consideration other factors at play such as training and the legal component. Leadership, and not only, must become aware of changing their mindset in terms of managing complexity. Accepting to invest in multiple projects, taking into account that, even if considered promising, only a few of them will give the desired result. Therefore, establish a selection process that brings out only the best performing ideas. In addition, attention must be paid to the legal component that is slowly becoming a real multiplier lever, or even an active tool, in redefining the equilibrium also in terms of technology. In the context of the comparison with the major competitors, it should not be underestimated that the counterparty could use the ethical-legal corpus, which characterizes Western companies, to its own advantage and in a malevolent way (relativization of law and ethics) in order to exploit its vulnerabilities (so-called lawfare).

Another legal ethical aspect also emerges from the evident contrast even in the digital field between the rigidity of the rules imposed on citizens and the freedom of action of cyber-criminals. An obvious example is the provision of data that citizens perform when using software or visiting the web: the recent European regulations implemented by individual states (see the GDPR) require citizens to express numerous consents, which often are more of a burden than a protection, also because companies tend to make possible dissent complicated. On the other hand, those who act in a gray area are very easily able to illegally collect user data, for example through apparently harmless and playful apps and programs. It would therefore be necessary to better balance the protection of personal data and the procedures for providing them, which is more for the real protection of the user citizen, just as it is necessary to harmonize these regulations at an international level, also guaranteeing the necessary legal and technical instruments for international police cooperation. to effectively combat the misappropriation of personal data for the purposes of cyber-crime.

In the near future, a leadership model characterized by a flexible approach aimed at managing, promoting and guiding change marked by increasingly complex challenges and the speed of decision-making processes will prove successful. The combination of these two factors will mark the flywheel for a new paradigm characterized by an e-leader with less and less technical skills (without eliminating them) and more and more transversal skills (“soft skills”) who is inclined to experiment by putting aside “biases” cognitive.

The dynamics of technological sovereignty, accelerated - let us remember - by the Covid-19 crisis, constitutes in many ways a leap forward in technological modernization. It outlines a promising future for a Europe that can review its priorities and its tools to definitively project itself as a pole of global technological democracy.



Young Aspen Leaders

Learning to play in the great powers league

by Blas Moreno



Blas Moreno is Editor-in-Chief, co-director and co-founder of El Orden Mundial, international affairs analyst with regular appearances in Spanish radio and television, and Aspen alumnus since 2019.

The EU needs to build strategic autonomy, further integrate economically and politically and stretch its diplomatic and military tools while helping its closest neighbors in the Balkans and Eastern Europe reach their goal of being accepted as Member States. By achieving these hard tasks, the Union will be larger and stronger, more confident of its powers and fit to navigate in a multipolar world.

The European Union is living through a momentous time. The greatest since, at least, the fall of the Berlin Wall. In the past six years, Europe has faced the pandemic, the energy crisis and the historic return of inflation. Before that came Brexit and the migrant drama in the Mediterranean and Aegean seas and the Balkans. Internally, the EU has struggled with the leadership vacuum left by Angela Merkel's renouncement, several breath-holding elections in France, Italy or Sweden and the rise of illiberal politics in Hungary, Poland or Slovenia, among other countries. To the outside, Brussels has had to navigate unpleasant frictions with the Trump Administration in the US and growing tensions with China, Russia, Turkey and other authoritarian states. The last and worst of it all is, of course, Putin's invasion of Ukraine.

These events have tested Europe's capacities to the core. But rather than proving its helplessness, this tough period offers the chance of building a stronger, enlarged and independent Union. Brussels and the twenty-seven Member States

have at last realized that they are ill-prepared for the coming world and have reacted. Debates on integration and enlargement have re-flourished, though still timidly. The European Commission has adopted a much needed “geopolitical” approach. The EU has taken resolute steps in the pursuit of energetic autonomy, launched a common response to the economic stress caused by the pandemic and gained consciousness of the need to become an active player in the world.

Ukraine and the rest of Eastern non-EU countries could well play an important role in this new European architecture. The war has served as a wake up call for Brussels, offering a chance and reaffirming the importance of involving post-Soviet Europe and the Balkans in the EU family. Quite like the fall of the Berlin Wall. Back then, Eastern Bloc countries began to integrate in Europe when Soviet tanks vanished and it was clear that Moscow’s yoke over Eastern Europe was not that powerful. Once the scales fell, Eastern Germans, Polish, Czechs or Hungarians felt free to turn west.

This war may bring the same outcome, albeit at a much higher human cost. It has been years since Russia lost its appeal for Eastern Europeans, and now it starts losing it for Central Asians also: its economy is small, its culture unattractive, its political model repeling. Should Ukrainians win the war, and their recent advances show they stand a good chance, the post-Soviet European republics will realize, once again, that Moscow does not have as much influence over them as it seemed just eight years ago. The emperor in the Kremlin would have no clothes. Weakened, Russia won’t have the means to keep Ukraine, Moldova and maybe even Belarus from breaking away and integrating into Europe.

For these countries to turn west, however, there must be a welcoming Europe on the other side, which cannot yet be taken for granted. The EU faces many challenges in this multipolar world, and it risks becoming irrelevant, internationally dependent and subject to the will of greater actors: fractured Franco-German alliance, disputes with Hungary and other illiberal governments, the so-called enlargement fatigue, falling to achieve strategic autonomy, dealing naively with foreign players or being unprepared to a radical political change in the White House after the 2024 presidential elections in the US. None of these factors would turn the EU insignificant in the short term. But if combined, they could well transform it into a mere association of divided and helpless countries, unable to exert its influence as a global power.

That is why Europe needs to adopt certain changes, both inside and on its global stance. The EU must be ready if and when Ukraine wins the war.

More integration to beat the enlargement fatigue

Can the EU accept new members? Many European governments doubt or plainly reject the idea, and some think the organization has grown too big. Even after Brexit, having twenty-seven members makes it difficult to quickly agree on anything. Besides, although euroscepticism and far right parties have spreaded around all Europe, certain Eastern countries, which were the last to enter the bloc, have given Brussels some of its worst headaches recently. Viktor Orbán in Hungary and Jarosław Kaczyński in Poland lead the attacks to the rule of law and separation of powers in the EU. Orbán spearheads an alliance of illiberal, far right parties with connections to Putin's Russia that includes Matteo Salvini in Italy or Marine Le Pen in France. Some international rankings don't even consider Hungary a democracy anymore.

Nevertheless, the problems posed by the authoritarian tendencies of some European governments are not the result of the great enlargement since 2004 as much as they are of the lack of sanctioning tools of the organization. Due to the unanimity principle, Hungary and Poland have been able to protect each other from the strongest sanctions proposed by Brussels. This unanimity rule is the same that hinders the EU from taking decisive measures regarding crucial matters such as economy, security or foreign policy.

If the EU wants not only to be ready to accept new members but to properly operate in this demanding international arena, it must do away with the unanimity rule. Senior European figures such as the High Representative for Foreign Affairs and Vice President of the Commission, Josep Borrel, are already defending this.

Reforming the decision-making process is not the only thorny debate the EU has opened in recent times. Long-rejectors of economic integration such as Germany or the Netherlands were forced to accept the need of common instruments to placate the effects of the pandemic. That allowed the first emission of EU debt, the establishment of an European recovery fund and the pause of the fiscal rules imposed in the last crisis. Similar approaches have been taken to tackle the health, energetic and climatic

emergencies and the wave of Ukrainian refugees. This common spirit should continue permeating the European integration process in the years to come.

Nevertheless, the EU still needs to address great important challenges. Above all, the Franco-German alliance remains basic for the functioning of the Union. But if they are to lead, both countries should put the interests of the bloc before their own. For instance, Germany's prestige has suffered enormously when it became clear that for decades Berlin has prioritized its commercial interests with Russia, falling into an energetic dependency that left Europe's hands tied behind her back when Putin invaded Ukraine.

Ending the dangerous dependence on Russia and China

The global shakes of the last few years have convinced the EU that it must adopt a more active role in the international arena. The war in Ukraine, the rise of China, Trump's presidency, the pandemic and the commercial and energetic crisis prove that Europe has been naive in its relations with other great powers. We have fallen into a commercial dependency with China, a dangerous addiction to Russian oil and gas and an overreliance on American military protection and technology.

The EU has already started demolishing its energetic vulnerability with Russia in two complementary ways. First, looking for alternative suppliers such as the Gulf monarchies, Azerbaijan, Venezuela or Nigeria. However, most of the world's greatest oil and gas producers are authoritarian regimes like Putin's, and Europe has learned that these alliances don't come without a price. That is why Brussels should give more impulse to the other branch of the plan: accelerating the green transition, which would also alleviate the climate crisis.

While there is no doubt that Europe's energy dependence on Russia is dangerous, there is not such a clear consensus about China. German chancellor Olaf Scholz's controversial trip to Beijing just a few weeks ago is the best example. Scholz was the first Western leader to visit China since the pandemic and to be a guest of Chinese president Xi Jinping after his ratification as the head of the Chinese Communist Party for a third term in October. The trip was widely criticized in Germany and Europe, including by Scholz's coalition partners. And not only for how it represented Berlin's

tacit acceptance of Xi advancing his control over Chinese politics. Above all, it came at a time when the EU is making a deep revision of its commercial dependence with China and its relations with authoritarian countries after the bitter lesson learned with Russia.

China is a world power, and its cooperation will be essential in global matters such as climate change, nuclear proliferation and mediation with Putin's Russia. Beijing's recent indications to Moscow that they oppose the use of any nuclear weapon in Ukraine are a good sign. Furthermore, China is, more than anything, an economic and technology powerhouse with which the EU commerces to great benefit for both sides.

However, China is also the strongest authoritarian regime in the world. Its government is unrespectful of human rights or political liberties, both inside and outside its borders. Its geopolitical ambitions in Asia and elsewhere are creating tensions with European allies such as India, Japan or Australia, and Taiwan may soon be the victim of an invasion echoing the one in Ukraine. Member States' reliance on China for raw materials and key industries such as 5G impede them from adopting firmer stands regarding Beijing's abuses in Xinjiang or Hong Kong, for instance.

The European Commission's new approach to Beijing properly reflects this complex relationship. Brussels has labeled China as "a partner, an economic competitor and a systemic rival", an indispensable actor but not one that should be treated with ingenuity. Still, Europe has a long way to go to be free of its dependence on China's commerce, which is harder to substitute than Russian energy. Besides, in the global race for influence Brussels is being left behind in Latin America, Africa, Middle East and Asia-Pacific by Beijing, Moscow and smaller actors such as Turkey or the Gulf monarchies. The EU should reduce its commercial vulnerabilities with China while fighting to remain relevant in the developing world.

Taking "our fate into our own hands" with the United States

If the EU has had a tough time realizing the need for a new relationship with Russia and China, a Trump comeback in the US in 2024 would be traumatizing. The United States is Europe's closest ally: both share cultural and political values, history, economic exchanges and, perhaps first and foremost, NATO. When the Trump

Administration began questioning those bonds, the EU understood it should learn to live on its own. As Angela Merkel, then German chancellor, put it in 2017, “The era in which we could fully rely on others is over (...). We have to take our fate into our own hands”. Those words sound even more clear-eyed today. And while the Biden Administration has reinvigorated the trans-Atlantic relation, another Republican victory in 2024 cannot be ruled out.

For the EU to take its fate into its own hands doesn't mean breaking its bonds with the United States, but however approached this may create tensions with Washington anyway. However, Europe is wrong to externalize key tech sectors like cloud services in American companies, and should reduce its reliance on the US for technologies such as semiconductors, artificial intelligence, quantum computing and, above all, defense. The same applies to natural gas and oil, of which the US is stepping up its exports to Europe to respond to the energy crisis, and other essential raw materials and components.

Most importantly, European countries must put more effort into their own security. They should do this by increasing the defense budgets and military integration, both in the frame of NATO and at the EU level, and stretching their diplomatic and military outreach in the European periphery. The war in Ukraine is the best example, but by no means the only conflict and instability spreading in Eastern Europe, North Africa and the Middle East, regions that are way closer to Europe than to the US. Brussels and the EU Member States, together, must play a bigger role combating jihadist insurgency in the Sahel, securing a durable peace deal between Armenia and Azerbaijan, stopping the wars in Yemen or Ethiopia or keeping alive the Iranian nuclear deal, among many other challenges.

A stronger EU with the center of gravity moved to the East

Imagine a victorious Ukraine in 2030. It is a democratic nation, preparing to join the European Union. Reconstruction is almost complete. The economy is growing fast; it is clean and diverse enough to keep corrupt oligarchs at bay. All this is underpinned by stout Ukrainian security. Defence against another invasion does not depend on the

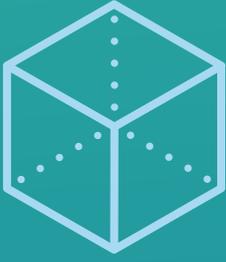
Kremlin's goodwill, but on the sense that renewed Russian aggression would never succeed.

This is the starting paragraph of an article recently published by The Economist titled "Imagining peace in Ukraine". It is a suggestive pitch, even when Russia is still occupying around 18% of the Ukrainian territory and bombing the rest of the country time and again. However, Ukraine won't be capable of growing so prosperous and European-oriented should the EU not stand ready to welcome it in the family.

To achieve it, the EU must consolidate its own house while pushing up candidate countries. The Member States should concentrate on building strategic autonomy by further integrating economically and politically, limiting the unanimity principle, strengthening European industries, diplomacy and defense, and working to reach greater consensus in thorny matters such as migration, a fair green transition and the protection of rule of law. At the same time, Brussels should not forget to keep helping its closest neighbors in the Balkans and Eastern Europe reach their goal of being accepted in the EU.

Reinvigorating the debate on the accession of new Member States will definitely move the center of gravity to the East. This started back in 2004, with the great enlargement, and has consolidated as a result of the war in Ukraine. Though the Franco-German alliance will still be the main axis, they will lose relative power and that would be positive for the bloc. The great losers will probably be the southerners, even though Spain and Portugal are gaining weight in the debate thanks to the energy crisis. The Eastern member countries, on the other side, are positioned to increase their influence. Poland, above all, will play a crucial role if its government is able to turn the page on its attacks on the rule of law and firmly supports its eastern neighbors, as it is now doing with Ukraine.

Given that it manages to fulfill these hard tasks, the European Union of 2030 should not be as afraid to integrate new members as it is now. That would turn it into a multicultural organization: with the entrance of countries such as Ukraine, Serbia, Montenegro or Moldova, the EU would integrate a populous orthodox community, and even an incipient muslim one with Albania or Bosnia. And, most importantly, it would be a larger union and a stronger economic and military bloc. An organization more confident of its powers and fit to navigate in a multipolar world.



Young Aspen Leaders

A Parliament of Things
to throw at
hyperobjects:
The world as it is and the
future of Europe

by Alexandru Dincovici



Alexandru Dincovici is
Anthropologist, Associate
lecturer NSPSPA and University
of Bucharest, Fellow Aspen
Institute Romania.

The 2022 Aspen-GMF Bucharest Forum has an ambitious goal, written in a Deleuzian note. Titled *A world in flux-Towards a New European Architecture*, it suggests that a new (institutional) architecture can better contain, manage, or freeze some of the deranging and menacing fluxes of our time. In a way, for a long time, architecture did just that -since Deleuze was and perhaps still is an important influence in the field, it tried to deal with flows. It was and can still be functional.

But what is the world made of? What is the European Union made of? Are they made of fluxes or flows? Are they made of subjects (and objects)? Or are they made of networks? Or hyperobjects? Because, depending on the answer we give to this important question, we will need a different type of architecture to contain, manage, freeze it or at least slow it down. Or maybe architecture is not at all what we need.

My personal interpretation of the title is that we currently live in a (European) setting that needs to become better equipped to deal with the world around us. A world that is in flux, or fluxes, and that makes us feel, to quote the main conclusion of the 2022 Munich Security Report, collective helplessness. Sociologists have noticed this definitory state of flux in modernity for quite a while. Bauman coined it liquid modernity, while Hartmut Rosa talked about social acceleration, and both realized the tremendous pressure it exerts on people and citizens. Truth is that collective helplessness isn't something new, that

emerged in the post Covid-19 era. Perhaps the pandemic just made it worse. But technological change, digitalization and the imperative to grow, innovate and accelerate, mostly for (geo)political and economic ends have been there for quite a while. And if this is the case, then, the pandemic and the recent war in Ukraine have just made things worse. Accelerated an already present acceleration, putting additional pressure on people who were already feeling crushed by external, incomprehensible forces. If true, then, one can only stop and wonder at the inadequacy of the policy solutions being brought up in the public space: if the constant imperative to grow, technological and social acceleration are the root cause of the increased feeling of collective helplessness, how can they also be the solution?

How can digitalization, artificial intelligence, and innovation that's mostly conceived as digital make things better for all those left behind in the process? Before answering that, I will return to one of the previous questions, and try to answer what the European Union is made of. Some might say of member states, but these are too abstract entities. If we go deeper, we find, at least in theory, citizens.

So, what exactly does it mean to be a European citizen? If we look on the website of the European Commission, things look easy to grasp:

Any person who holds the nationality of an EU country is automatically also an EU citizen. EU citizenship is additional to national citizenship and does not replace it.

Being an EU citizen is something automatically granted to you if and only if you fulfill a basic condition. Meaning that, in order to be a European citizen, you must already be a national citizen of one of the EU member states. In tech language, this is somehow an add-on. A bonus. You receive it automatically. You do not and you cannot work for it. You cannot deny it either. One cannot simply refuse to be a European citizen, unless they can somehow stop being the other, basic kind of citizen. But for someone born and living in Romania, for instance, European citizenship is a quality they are being stuck with forever. Or at least as long as the European Union exists or as long as the notion or object of European citizenship exists and is defined as such.

European citizenship is thus something that is only granted to humans. Not to animals, even if they are domesticated, and definitely not to objects. Or to any animate or inanimate matter. That something, however, is still very human, and without the slightest trace of materiality.

How about being a citizen of Romania, for instance? How is that any different? On a phenomenological level, this is a completely different story just because it is so much more tangible and filled in with materiality. I have been involved, incidentally, during the past two years, in research projects exploring perceptions, lives and feelings of Romanians living abroad. Although it was not always the focus, the different research touched upon feelings of homesickness and connections to the *homeland*. And all discussions tended to become very material. Tangible. One could recite around homesickness endless Latour litanies or bestiaries of things, as philosopher Ian Bogost famously coined these lists, describing objects and things that might go together in apparently random associations. For instance, we might have: tomatoes that taste good, sunrises and sunsets, the Romanian language, Ion Iliescu, tired angry eyes from behind the counter in supermarkets, mindless bureaucracy, Dan Spătaru, that famous cheese pie grandma used to make, Christmas with the entire family, the national flag, an old Dacia 1300, the pioneer tie, national hymns, *zacusca* and *sarmale*.

If you look closely at the litany, its constituents are more than mere symbols. They are mostly concrete things, objects in a more traditional sense, that gave and give rise to feelings, which allow themselves to be touched, heard, seen, spoken, ingested, driven and so on. By contrast, what would a Latour litany look like related to what Europe is if we consider the phenomenological aspects of the previous list? What could it contain? The EU flag on license plates, buildings and architectural monuments that house political institutions for those who have interacted with them, different customs queues in airports, but what else? Is there anything else material? Where is the concreteness, the phenomenological experience of the EU and of what it is like to be one of its citizens? What is left when we take the symbols away? Besides a sad litany of a few disparate entities that would hardly elicit any memories, let alone feelings or sensations for most Romanians.

We are still stuck, in public discourse, with the trope of *communities*, in a globalized world of commodities where sodalities, or communities of practice, become increasingly important. Let us get, for the sake of the argument, self-reflexive and personal, and ask ourselves what it means to be me. Sticking to the interesting tool of the litany, a simple version of it would include Brazilian-jiu-jitsu and my one stripe black belt, my gis, my apparel, my embodied grappling techniques and my injuries that bridge my existence more easily with that of a practitioner in Japan, Vanuatu, or

the United States than to my fellow European citizen from a different country who's not a grappler. It would include my wearable bracelet and the data it sends to my phone, a Korean brand, but also to data servers probably located in China, my Dr. Martens shoes, the whey protein I buy from abroad, my article on body awareness in the 2012 volume of *Studia Phaenomenologica*, the Minister of Education order that granted me my PhD, the Jules Romains College in Paris where I have spent two years of my youth, the Quebec Parliament where I held my first public speech at 16 years old, the trains that used to pass right next to my apartment building in Ploiești during the high school years.

How much of it can be said to be European, unless as a symbolic add-on politically grafted somewhere in life? If we go over the list and its things or actors, trying to unpack each item into the more complex network of actors it already is, things get more complex and entangled and almost impossible to map. Just like some of the things in the world. Just like philosopher Timothy Morton's hyperobjects, impossible to grasp in their entirety because of their massive distribution in time and space.

The pandemic was, or I must say it still is, since it is not officially over, such a hyperobject. The war in Ukraine might be as well. It is not just a virus, and it is not just a war. These are things so big and embedded in networks around us that we cannot grasp their complexity. These are the kinds of threats we are facing, not just as individuals, European or national citizens.

This is perhaps the problem, and this is why we are brought to a point where we make ourselves think of new architectures that are better able to contain the fluxes around us. Because we think of ourselves as unique in ways that do not really fit the world and the way the world is. We are citizens, hence individuals, hence subjects, in a larger world-object made of flows that are just too strong for us to bear. As individuals. What makes us different from the world is our agency, our capacity for intelligent design. We are subjects, but the world and its constituents are our objects, and we try to rebuild it, to compartmentalize it so we can contain and manage the flows in it, not to get swept away senselessly. As the main or unique agents of change, we also bear an undistributed responsibility when things go amiss, and we are quick to point fingers towards other human agents whenever something doesn't quite happen the way it should.

The only problem with this worldview is that it is not sustainable anymore, because it simply is not the way of being in the world happens. We are not separated individualities, but are enmeshed in the world, entangled with it and the other things it is made of. We are not simple spectators perceiving fluxes of sensations and trying desperately to make sense of them, and since James Gibson's work on perception and ecology in the 70s we know that perceiving is active, not passive, and presupposes an organism's ecological embeddedness. Our ontological condition, in Andrew Pickering's words, is to live in a world of becoming, in which we are constantly performing, it is not a state of cognitive achievement. And we never perform alone.

In *Vibrant Matter: A Political Ecology of Things*, philosopher Jane Bennett asks herself how would the direction of public policy shift if we conceived and experienced materialities as actants and we attended more carefully to their trajectories and powers? A similar question appears to us if we follow the reasoning of Andrew Pickering's concept of *islands of stability*, borrowed from nuclear physics. What if we consciously acknowledged the complexity and unpredictability of the world? The possible agency inherent in things, matter, and various non-human entities. The impossibility of centrally planning everything or centrally designing institutions or architectures that might contain such a world. We are used, especially in policy making, to thinking of the world as made up of stable and reliable entities which we can understand and master through things such as knowledge, science or engineering. Whenever we see a flux that seems too strong, we try to build something to contain it, and we do it first cognitively. We plan first and prefer to perform later, after we have built, on a stable basis, on the objects of our own design.

But it is time we asked ourselves, in this context, what would the European Union be like if it were not symbolically made up just of institutions and ultimately of individual citizens co-opting matter, objects and other non-humans to achieve their goals, while denying their agency and ontological status? What is not human is, in the end, usually seen just as a tool or something with the potential to become a tool and coerced into achieving some human function. What if we had, as Bruno Latour famously suggested, a Parliament of Things, offering all actors in the EU, human and non-human alike, a voice? Bees are somehow already privileged, through the work of the PAFF, but how about pigeons, pigs, wolves, corn or coal? And how about AI? What if granting some

sort of agency to other entities would make things better, or at least would make the European Union truly a Union, not just a human political and institutional project?

I have mentioned, in the beginning, that feeling of collective helplessness. I also propose we start thinking about rebuilding from exactly here. We're feeling helpless because, ultimately, as individual subjects and citizens, we are. And we should embrace that helplessness in the face of change and hyperobjects, the lack of power and agency we feel as the crude reality of today, and our lack of knowledge as fact.

This means that, in order to rebuild, we need better alliances. Not just among ourselves, with institutions and states, but with other non-humans. If this means recognizing their agency, so be it. If that means granting them some form of citizenship, even better. They already live among us and their vitality and agency affect us in more than one way. In his latest series, *Tulsa King*, Sylvester Stallone walks the empty streets of Ohio after 25 years in prison and while trying to cross the streets he hears a voice whispering *Wait, wait, wait!* He turns around, surprised, and it takes him a while to identify the voice coming from a pedestrian crossing voice prompt auxiliary device. Surprise aside, pedestrian crossings have always made people stop, even before they had a voice. And we've worked alongside them and other non-humans to make us safer.

Recognizing the complexity of the world as well as the multitude of non-human actors coexisting besides us is crucial for the future and stability of Europe, in the face of more and more menacing hyperobjects, such as war, global warming, plastic and pandemics. We can't tackle them alone, as individuals and citizens, and we can't take all the credit even if we seem to manage to, nor all the blame if we fail.

But recognizing the world as it is, complex and with multitudes of entangled actors, should enable us to approach policy making and institutional design through a different lens, one that enables different multiple layers of negotiations between different kinds of actors. This is why Latour's Parliament of Things might be such a genius move after all.

Let's look, for instance, at the role and place of digital technology and artificial intelligence. Nowadays, digitalization is a trope that politicians never cease to invoke. States that went entirely digital are considered more evolved, less bureaucratic, better

for business and for growth. There is enormous pressure on the rest to just keep up with the pace. The next step of digitalization seems to be a rush towards developing artificial intelligence, seen as a possible solution to most of our problems. AI is thus, probably, the closest non-human to getting some sort of agency in the public sphere, because we have anthropomorphized it from the start. Digital is good, digital and AI together are even better.

We seem to have mastered some dialogue and close collaboration with digital technologies, in weak but functional alliances, but in our reliance on it we tend to forget some of their crucial aspects.

First, even the hyperobject internet -not to mention more confined, private digital technologies, are very material networks with lots of tangible actors. They are held together in sometimes precarious assemblages, despite their stable appearance. And sometimes one of the actors can break or leave the assemblage. Like on 30 September 2021, when a root certificate used by *Let's Encrypt* expired and affected a great number of websites and IoT devices that kept using the outdated technology. Despite the Internet being so huge and massively distributed, someone can still disable your access by cutting a wire. Considering digital technology a reliable black-box can thus be very dangerous. Looking at it from the vantage point of the more unstable notion of islands of stability, that implies the contingency of the assemblage might have much better merits.

Second, as large material networks, digital networks also get entangled with numerous non-human entities and have what we call environmental impact. There have been numerous talks about the large carbon footprint of cryptocurrency mining, a topic becoming even more sensitive in the current energy crisis. For truly sustainable technology to develop, we, therefore, need a better multistakeholder dialogue bringing things and non-humans on board alongside humans.

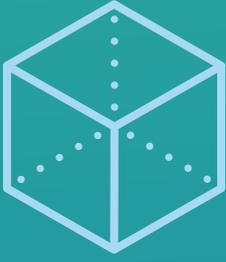
Third, as mentioned in my earlier personal Latour litany, human identity is already entangled within a complex network spanning the whole world. Digital technology is being thrown towards us from all directions, notably consumer culture. My smart bracelet and my phone already monitor my daily steps and geolocate me constantly, while I move and perform myself as a digital subject. With enough data, a foreign AI could predict many things about me, use my app password to gain access to other

apps, accounts, and data. All because, through various sodalities and patterns of consuming products I enter in various networks of practice. This can also be dangerous, like in 2018 when fitness tracking firm Strava published its users' running and cycling heatmaps, disclosing the locations of American military bases around the world.

Fourth, a large part of our feeling of collective helplessness stems directly from technology's growth and its increasing capacity to mediate our relationship with other kinds of matter, not to mention its instability and constant iterations. We are far away from the ideal of the on demand continuous, uninterrupted flow of goods, services, and experiences. Everything constantly breaks, and we're struggling against chatbots waiting for bug fixes, if we're lucky enough and tech savvy. But what about all of those lacking the digital skills to at least get to the point where they can pretend to be able to do something about their daily frustrations, even if it's just sending a message to a bot that will inhumanely try to replicate *empathy*, unable to actually fix anything? Digitalization might end up taking their last ounce of illusion of control out of their grasp.

I'll end with a fifth and ultimate *coup de grace* about digital technologies and interfaces. Touching is not grasping. It does not grant you control. It is ephemeral. Controlling via gestures is even more futile. It is the epitome of helplessness and the ultimate form of individuality and disembeddedness from the world. The helpless consumer that gestures in the middle of it, hoping the world will notice and come within their grasp cannot be the basis of our European future together.

So, what can be done? The first step would be acknowledging the world as it is, and the weak, symbolic, and immaterial ties of that assemblage called Europe to its citizens. The second might be recognizing the ontological insecurity of our being as the basis of the new architecture. The third should be bringing non-humans on board and granting them a more active role than now. Technology cannot be a mere extension of our body, just as the universe is not a mere extension of our organisms. We should stop controlling them and start working together.



Young Aspen Leaders

A Comprehensive New European Architecture

by Sami Biasoni



Sami BIASONI is Chief of Staff, Société Générale CEO Office; Finance lecturer professor, ESSEC Business school; Fellow Aspen Institute France.

Introduction: critical dimensions for a decisive turn

The Indian novelist Arundhati Roy was right when she wrote that “the pandemic is a portal¹”. It is a multidimensional portal through which European people simultaneously experienced major mutations from a technological, geopolitical, anthropological, and sociological perspective. Such a portal is akin to Lewis Carroll’s metaphorical mirror, revealing what was already there: our troubles, doubts, and hesitations. Not only as individuals, but as a political folk.

Our societies are antifragile complex systems, “antifragility” being the quality for a given system to reinforce its global resiliency after having been threatened, even severely pressured². That is why the Covid episode has not been a catastrophe – at least so far – but has *only* been a major crisis³. The difference is epistemologically important because it implies very different outcomes. We should postulate that what are hopefully the final days of the pandemic will present a collective opportunity for Europe to substantially transform its societal model.

¹ A. ROY, “The Pandemic is a Portal”. *The Financial Times* (April 3, 2020).

² Taleb defines antifragility as “a convex response to a stressor or source of harm (for some range of variation), leading to a positive sensitivity to increase in volatility (or variability, stress, dispersion of outcomes, or uncertainty, what is grouped under the designation “disorder cluster”). Likewise fragility is defined as a concave sensitivity to stressors, leading to a negative sensitivity to increase in volatility. The relation between fragility, convexity, and sensitivity to disorder is mathematical, obtained by theorem, not derived from empirical data mining or some historical narrative.” (N. N. TALEB, *Philosophy: “Antifragility” as a mathematical idea*. *Nature* (Feb. 28, 2013)).

³ I develop that essential epistemological difference in my PhD thesis: “De la précarité épistémologique des systèmes complexes en transition critique étendue : vers une épistémologie ouverte des processus de marché”. *Ecole normale supérieure-PSL* (2021).

In his speech to the Consultative Assembly of the Council of Europe in 1952, Alcide De Gasperi, one of the founding fathers of Europe, stated:

Economic cooperation is, of course, a matter of compromise between the natural desire for independence of each participant and overriding political aspirations. If European economic cooperation were dependent upon the compromises put forward by the various administrations concerned, we should probably be led into weaknesses and inconsistencies. So it is the political aspiration for unity which must prevail. We must be guided above all by the overriding realisation that it is essential to build a united Europe in order to ensure for ourselves peace, progress, and social justice.

Europe is not an economic and bureaucratic project; it goes far beyond that. It encapsulates our ability to build a stable and prosperous world. Peace, progress and social justice is the fundamental triptych I will use as a basis to present the post-pandemic critical dimensions of the *decisive* turn we must take as Europeans.

I. How to ensure peace

From a globalised to a compartmentalised world

The French debate distinguishes “*mondialisation*” (“worldisation”) from “*globalisation*” (“globalisation”): many geographers like Lévy or Ghorra-Gobin⁴ consider that the former describes the process according to which cultural, political and economic flows intensify whilst scaling up in a *compressed* spacetime. The latter is deeply rooted in the metamorphosis of capitalism from an aggregation of local markets to the emergence of an interconnected and financially transnational agglomeration⁵.

We need to rethink the worldization-globalization model and turn it towards “compartmentalisation”. From an economic point of view, Ricardo’s comparative

⁴ C. GHORRA-GOBIN (dir.), “*Dictionnaire des mondialisations*”. Armand Colin (2006).

⁵ A. APPADURAI, “*Modernity at Large. Cultural dimensions of globalization*”. University of Minnesota press (1996). We follow in that part the argument proposed by C. Ghorra-Gobin in “*Notion en débat : mondialisation et globalization*”, *Géconfluences* (2017).

advantage theory, which served as a basis for the global and liberal capitalism in which we live, is proving to be inadequate in our current situation where the consequences of maintaining such a model are beginning to matter, whether they be ethical, ecological, or cultural ones. Both realism and pragmatism are the only ways to succeed in overcoming the North-South, Western-Eastern, Progress-Tradition antagonisms. Compartmentalised socio-economic blocks are part of our new reality. Even when imposed by *others*, we need to accept the reality of their existence whilst still acting to defend our project embodying the ideal of universal humanism and democracy.

Compartmentalisation, as a concept, goes beyond multipolarity. First, it recognises the importance of geographical proximities and commonalities (nuclear incidents or air pollution are good examples). Then, it implies that a block/compartment is a piece that can combine with another to form a bigger one (when greater market power is favoured) or scale down (when agility is required). Last, we need to accept the perpetual nature of history: remnants of the past persist and are fundamental in block ontology.

Europe as a block needs to find a way of reconciling progressivism and tradition, security and freedom as well as democracy and sovereignty.

There is no nation without borders

The nation-state model is not over. It can be perfectly compatible with transnational institutions, binding the heart of a nation with its head. It can also cope with necessary strategic alliances to ensure such a nation's integrity. That is what international politics is about.

Prophecies announcing the end of nations are fallacious because a nation is not only a political project; it is what Ernest Renan described when he said:

A nation is a soul, a spiritual principle. Two things which, properly speaking, are really one and the same constitute this soul, this spiritual principle. One is the past, the other is the present. One is the possession in common of a rich legacy of memories; the other is

present consent, the desire to live together, the desire to continue to invest in the heritage that we have jointly received.

Such a perspective holds nations to be deeply rooted in our anthropological nature as social human beings.

Borders are not barriers, they are limits. Being geographically rigid does not imply that nations have no plasticity as regards other cultures, solidarity, free markets, values, etc. In fact, borders are the result of self-determined nations peacefully and closely living together, ensuring a degree of safety and allowing dynamic links within the supra-blocks nations are part of. As such, they must be preserved and protected.

Environment cannot be an ideological issue

Dealing with environmental topics requires embracing extreme complexity. Paradoxically, the public debate is poisoned by over-simplification as well as biased argumentation. The IPCC's mission statement provides a good illustration of an institution whose theoretical mission is ostensibly beneficial for humanity, but insufficiently balanced in its concrete proposition. The IPCC's mission statement clearly outlines that:

The Intergovernmental Panel on Climate Change (IPCC) is the international body for assessing the science related to climate change. The IPCC was set up in 1988 by the World Meteorological Organization (WMO) and United Nations Environment Programme (UNEP) to provide policymakers with regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation.

Scientific investigation is driven by scepticism; an attitude which does not allow one to simply assume that current consensus is correct. Such investigation necessitates that both positive and negative effects of a phenomenon be studied. Surprisingly, the IPCC's mission statement cited above is strongly oriented towards proving anthropic responsibility and speculating on the subsequent risks. Potential positive outcomes of

climate evolution are thus widely understated, not allowing a proper understanding of the magnitude of the studied changes.

From a semantic perspective, no advanced civilisation should manipulate the dangerous concept of “crisis” without properly anticipating the consequences of such a choice. The Covid pandemic demonstrated the cost, in terms of democratic and social adhesion, of such manipulation. Therefore, we should collectively act with the adequate degree of responsibility regarding climate change.

Economic contraction, ecological terror and acceptance of technological regression will not bring anything but fear and instability. The desirable way of dealing with any environmental topic is to bet on human genius. Technology is not a threat when pursued ethically. Speeches which deliberately present information in an imprecise, abstruse manner designed to limit further inquiry and understanding cannot be acknowledged as a possible alternative to science simply because radical thinking refuses a scientific path that does not conform to a predetermined conclusion or bias. Finally, no moral or physical violence should be ignored or tolerated for reasons of “necessity or urgency”. Contemporary revolutions should be respectful and free from bloodshed.

2. What is progress on the other side of the mirror?

The Metaverse is already here but we cannot see it: the “virtual-space”

Facebook’s mutation to *Meta* is neither new, nor exactly a turning point. The Metaverse already exists but is widely neglected as the old Internet paradigm still prevails. Web3 should deeply reshape the way global interconnectivity is established, shifting from an intermediary-based model to an algorithmic, decentralised one. However, modern democracies do not seem ready for this as they are still widely anchored in a pre-Web2 digital world.

The Metaverse is not yet adapted to Web3 however, we need to fully accept it already exists in its Web2 form, where a vast majority of users are not only digital consumers, but have developed a real and proper alternative cyberidentity. Together, alternative

web identities, whether they be clearly identifiable or anonymous, form a digital “virtual-space” with its own meta-political rules.

Digital progress is about protecting the Internet as a free and equal universe, whilst understanding that states have some sway where its running and regulations are concerned. Although still artificial and heavy, GDPR is a good example of a positive initiative that regulates privacy and enforces certain human rights in the digital space.

All about scaling up

Europe is the right scale to put real digital sovereignty in place. Between Gafam and BATX, a void is not an acceptable option. Five basic fundamentals should be developed to allow the emergence of European champions: a transnational open data culture, a sovereign Cloud infrastructure, an integrated tech capital venture network, unified digital Acts, and reasonable economic protectionism. All must be underscored by an end to the passive tolerance of cyberthreats: online insecurity is widely understated with limited expertise and resources dedicated to online justice and policing. Efforts must be mutualised so that we can catch up in time.

Freedom and surveillance capitalism

Freedom is perhaps the core value of Europe. At the very least, it has served as a guiding principle for Europe’s founding fathers. Accelerating technological progress is creating its own threat in the form of *surveillance capitalism*, which is becoming increasingly prevalent despite the will of the people. Harvard American author and sociologist, Shoshanna Zuboff⁶, describes the phenomenon in very harsh terms:

1. A new economic order that claims human experience as free raw material for hidden commercial practices of extraction, prediction, and sales; 2. A parasitic economic logic in which the production of goods and services is subordinated to a new global architecture of behavioral modification; 3, A rogue mutation of capitalism marked

⁶ S. ZUBOFF, “The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power”. *Public Affairs* (2019).

by concentrations of wealth, knowledge, and power unprecedented in human history; 4. The foundational framework of a surveillance economy; 5. As significant a threat to human nature in the twenty-first century as industrial capitalism was to the natural world in the nineteenth and twentieth; 6. The origin of a new instrumentarian power that asserts dominance over society and presents startling challenges to market democracy; 7. A movement that aims to impose a new collective order based on total certainty; 8. An expropriation of critical human rights that is best understood as a coup from above: an overthrow of the people's sovereignty.

According to us, such a definition should not be taken as a description of the way events are occurring rather, as an attempt to anticipate the inevitability of a generalised, capitalistic surveillance system, and what this would look like. There is an urgent need to seriously anticipate what an economy based on data and services implies in terms of human rights.

The fact that non-democratic countries are opting for coercive mechanisms, like social credit systems, that limit freedom through technologies is an opportunity for Western countries to build an alternative scheme that is respectful of freedom whilst remaining realistic regarding the use of private data for security enhancement or value creation.

The pandemic has highlighted the illiberal choices being made by decision-makers all around the world. Ex post we collectively need to rethink the way such an extreme situation has been handled to retrospectively redesign an optimal approach to crisis management.

3. True social justice requires honesty

Tempering the debt state model

Our modern democracies should be ruled by a strict non-contradictory principle according to which it should not be possible to discriminate in order to fight discrimination (affirmative action often raises more issues than it brings solutions) or

magnify marginal causes whilst massive ones are ignored. Diversity means diversity: it should be profitable to everyone in its singularity as a sincere effort of reaching *equality of chances*, not as an artificial framework to favour some against others under the obsession of *equality of outcomes*. This is not sustainable in the long run, as it necessarily produces negative social consequences.

Of course, social justice is first about living human beings. Nevertheless, it is also necessary to adopt a multi-generational perspective. The *awakening* on environmental issues leading to people caring for the world they will leave to others should also guide the way we act regarding our macro-economic choices.

Of course, European standards pertaining to financial deficits exist, but they are insufficient as main western democracies suffer from widely relying on a *debt-state model*, which is proving to be suboptimal for the system as a whole and for some of its components in particular. In such a model, governing means dealing with two people: on the one hand what Wolfgang Streeck names *Staatsvolk* and, on the other hand, the *Marktvolk*⁷. According to the German sociologist, debt states are “buying time”. In doing so, they have to deal with contradictory democratic and capitalistic dimensions, constantly balancing between the following quasi-antagonisms: “national vs. international”, “citizens vs. investors”, “civil rights vs. claims”, “voters vs. creditors”, “elections vs. auctions”, “public opinion vs. interest rates”, “loyalty vs. confidence”, “public services vs. debt services”.

Debt is not an issue *per se*. It becomes one when it overcomes any reasonable way of dealing with it in the long run; decade-long monetary policies should not be seen as normal economic situations.

Countering the rise of neo-populism

They are two types of populism in contemporary times. The first one revolves around anti-democratic politics and occurs when the people stop defending a harmonious social project to instead become a mass. The second one is related to the abandonment of power to tribal groups. Such setups notably occur when parapolitical

⁷ W. STREECK, “The Politics of the Debt State” from “Buying Time: The Delayed Crisis of Democratic Capitalism”. Verso (2014).

counter-powers are imposing their grievances on the majority, benefiting from their minority status and employing them as a *social resource*. Universalism is a two-sided notion; although contributing to the constitution of anyone's intimate self, belonging to a minority group cannot entirely define an individual. As such, it cannot provision extra privilege to one person over others. On the other side, no minority situation should justify minor rights, chances, or statuses. Humanism cannot stand asymmetrical or unfair treatment of people.

Overcoming the identity paradox

The Western world is increasingly being trapped in an identity paradox, being ashamed or pushed to be ashamed of its own cultural, historical, and philosophical legacy, whilst blindly celebrating any other form or alternative one. There is no need for the West to deny its own identity to be truly and enthusiastically open to others: our occidental tradition is a proof of this . Deconstruction is a threat to the global system, as it necessarily makes alternative schemes emerge. The rise of nationalist populism in Europe is directly linked to such a process. Another consequence is the emergence of new anti-science or religious obscurantism.

All the main developing countries are founding their growth on solid cultural pride. They are to be commended and respected for doing so. Promoting our occidental values is not only consistent with this, it is a pre-requisite as cultures do not significantly enrich themselves without positively *competing* with others.

Redefining the European model starts with accepting our noble values *as they are*. It also requires firmly refusing any radicalism in the political debate.

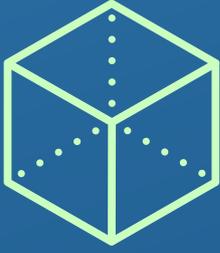
Conclusion: a prospective governance for a truly comprehensive new European architecture

The pandemic can be seen as a portal: from tactical crisis management to strategic crisis management. Passing through it entails enriching our democratic methodologies with intelligent and dispassionate prospective debates. Europe should

build a true prospective agency in charge of thinking about the conditions conducive to desirable futures. IPCC endeavours will always remain limited in their impact if they remain incomplete via the lack of a truly multidimensional and multidisciplinary analytic institutional framework.

That is the starting point of a truly comprehensive new European architecture. Free markets do not imply complete self-organisation as markets will never be fully efficient, especially in the long run where they simply cannot continue expanding. Long term is the domain of politics, i.e. the domain of taking informed *risks* as the future is not a given, and never will be.

Nevertheless, we have clues about what will matter in the coming decades. The priorities of our times shall be: quantum technologies, nanobiology, genetic medicine, green techs, civil and military space capabilities, AI, decentralised web and bioethics notably linked to transhumanism. Any new European architecture should be able to prioritise these topics otherwise its risk of failure becomes probable. No European country on its own has the critical size to deal with these new areas of technological advancement, but Europe united has the capacity to do so.



Bucharest Papers

Growth Opportunities and Constraints in East-Central Europe after the War in Ukraine

by Clara Volintiru



Clara Volintiru is Associate Professor in the Department of International Business and Economics (REI), at the Bucharest University of Economic Studies (ASE).

East-Central Europe's Mixed Economic Trajectory in the EU

The enlargement process of the EU was quintessential in building the collective economic force of Europe. Through the Single Market, both newer and older member states achieved significant economic growth, as well as a stronger political standing in the world. However, the integration process has largely failed to deliver a shared prosperity that runs deep across all communities in Europe.

Different economic trajectories, based on different economic models in member states, led to a growing corpus of studies on the emerging fault lines of the European project. Some focused on the North-South tensions during the Eurozone crises, others focused on the core-periphery market structure where both Southern and Eastern member states are portrayed under the dependent market economies label. Which essentially meant looking at such structural economic dimensions as integration into global value chains of production, patterns of foreign direct investment and national growth models.

Probably the most referenced divide of the past decade was nevertheless the East/West divide, given a noticeable asymmetry of representation in the decision-making forums, and persistent investments gaps, as well as large subnational disparities within East-Central Europe (ECE). Eastern countries have dealt with systematically poor representation in the EU decision-making

bodies, heightened strategic vulnerability vis-à-vis Russia, labour rights problems and the exploitation of East European workers in Western settings, all of which resulted in increasing peripheralization. Additionally, the very large outward migration of both skilled and blue-collar workers weakened the East's competitive advantage in lower production costs. It also rendered key public services such as healthcare more vulnerable, right in the midst of a global pandemic. Western member states, for their part, deplored the Eastern neglect of the Rule of Law (RoL) and democratic backsliding, the East's ostensibly poor commitment to tackling the migration and refugee crisis, failure to confront climate change, and the persistent poor quality of government. Instead of acting as a neutral arbiter to tackle these divisions, however, EU institutions in Brussels have often taken one-sided positions, influenced by larger and more powerful member states. Overall, diverging policy interests can be traced in the EU, with Eastern member states often more interested than Western ones in stronger stances on Russia, or safeguarding free trade agreements. In turn, Western Europe has been much more committed to take concrete steps in the implementation of the green deal agenda than Eastern member states.

However, the evidence of recent years shows another story of the differentiated economic development in the EU beyond the core-periphery model. While newer member states in East-Central Europe might be much poorer in terms of per capita income, or with lower competitiveness in terms of production, they are however recording a much larger growth dynamic than Southern or Western European countries. The catching-up process and the capital flows from EU integration facilitated this superior growth trend. Much of their strong economic growth track record in East Central Europe (ECE) can be linked directly and indirectly to EU funded public investments. Directly because they stimulated local employment and a consumption-driven growth, and indirectly because they were enablers for the often-cited export-led growth through FDI investments.

A very large corpus of scholarly literature and public speeches point to the institutional failures in ECE and how corruption or poor capacity has eroded the economic potential of the region. While some of it might be true, it was not the state as much as the economic model that failed to deliver sustainable, balanced growth.

ECE citizens still struggle with a second-class status, as they see their purchasing power well below that of other EU member states and sinking even further in the current perma-crisis. GDP per capita in ECE is below half of EU average, and large subnational disparities persist in the region.

GINI coefficient levels in ECE have been similarly high to those of Southern Europe in the early 2010s, but a decade later, it is only a few of the ECE countries that still hold the leading blacklist of large inequality levels – Romania, Bulgaria, Lithuania, and Latvia.

The others, like Visegrad countries or Estonia have been much more astute in developing inner growth processes to double down on the opportunities of economic integration. Poland has developed a strong developmentalist model, relying on its large internal market and decentralised structure, supporting a local economic growth dynamic. Estonia has leveraged its innovation-driven economic development to harness higher value-added production, while Hungary has achieved the same outcome by leveraging its strong political ties to Bavarian automotive investments. Czech Republic was always the primary destination of FDI in the region, but its governmental investment strategy has been structured and systematic as well.

Still, beyond aggregate inequalities levels, the territorial reality is truly fractured in most of the ECE countries. On one hand there is a thriving urban elite that enjoys all the privileges of being European, and on the other hand a rural precariat, that has not accessed the social protection measures granted in Western member states. Left-behind places are all across Europe, but the distinguishing trait of poverty bags in ECE is that they are much more vulnerable to basic unmet needs – from large school dropout to very large preventable deaths, from energy poverty, to depopulation and large waves of outward migration, from human trafficking to yes, still in 2022, hunger.

The ambitious green transition process in the EU involves the development of a new economic model for regions, countries, and the Single Market as a whole. This transformation places a double pressure on less developed regions in Europe: 1) higher public expenditures to mediate the negative impact of the industrial changes, and 2) a loss of competitiveness in the face of an economy based on innovation and skills, rather than low salaries. In the absence of trickle-down public investment policies, this is a tall order to meet by many of the countries in East-Central Europe

(ECE). Smaller, more agile economies like the Baltic countries will fare the transformation process much more easily than the larger economies of Romania, Poland or Bulgaria with their backlog in investment gaps and subnational disparities.

What should the ECE region focus on to secure a sustainable future?

Since the war in Ukraine, two components will inform the future of the ECE region: (1) endogenous transformation - addressing national and local structural economic vulnerabilities, and (2) exogenous adaptation - aligning the economic trajectory of the region with contextual challenges and opportunities of the unfolding events in the war in Ukraine.

For endogenous transformation, countries in ECE region need to look closely at the aforementioned ingredients of their economic models. The three ingredients of a successful economic model—integration into value chains, FDI quantity and quality and national vision, are all interconnected and mutually enforcing.

Firstly, integration into global value chains of production is extremely important. Countries from the V4 group have enjoyed a preferential position in this key economic dimension. Their proximity to the West, and especially to the German economy, backed by strong political ties, and astute instrumentalization of EU funds to attract greenfield investments have all led to a much higher integration in regional value chains than more peripheral countries like Romania and Bulgaria. Splitting the ECE region into tiers of economic integration served well to the malicious interests of Russia to keep its proximity area less connected to the Single Market, and thus render it more vulnerable to interference. Without the higher integration in regional value chains, record growth levels were registered mostly in the capital cities of Romania and Bulgaria, while a very large share of their population continued to migrate due to high poverty thresholds.

Secondly, patterns of foreign direct investment have to be better integrated in a logic of national and local development. On one hand, high value-added investments have to take priority if the ECE region is to maintain its catching-up process in the much

more challenging context of inward transformation in the Single Market and outward polycrisis. Secondly, economic diplomatic efforts must at last take center stage. While countries like Poland, Czech Republic and Hungary have been much better at proactively engaging and attracting large FDI inflows, now the tides could be changing. The geopolitical stance of Hungary should and has made it a much less comfortable partner to the West—both with the EU and across the Atlantic.

In contrast, it is high time that Romania's steady commitments to both the EU and NATO should be rewarded with stronger economic ties than before. US Exim commitments to support the development of nuclear facilities in Romania, or EU's allocations through Just Transition Mechanism or REPowerEU are an important testimony of the sensitivity of Western partners towards Romania's energy security. However, equally important for regional security is to ensure sizeable and decent pay employment. This can be achieved through a diversification of high-value added, innovation-based investments across the country. Aviation, biotech, ITC, automotive hubs should all further local regional development in EU's periphery countries with strong commitments to Western alliances. While the souring political context in authoritarian regimes from within and outside Europe will be a push factor for such investments to move to other countries in the ECE region, they nevertheless will require pull factors as well. National governments will have to acknowledge the stakes of the competition for such investments and deploy concerted national efforts—from economic diplomacy, to local public administrations support, to guide existent and future foreign investors through the friendly-shoring global repositioning process.

ECE countries in general need to look well beyond urban-rural divides. Not all cities can be drivers of growth, as many secondary cities in ECE struggle with a shrinking trend leading to a lower quality of life similar to that of more impoverished rural areas. In contrast, rural areas that buy into the large opportunities of agri-business or remote work nowadays, see their population achieving a significantly higher quality of life than in many of the urban centres. For large or small communities, high-value foreign investments will continue to be one of the most important drivers for local development and have to be targeted in a proactive manner across all governance levels.

Lastly, but not least, national vision is important. However systematic the EU's approach is towards tackling social issues (e.g. European Pillar of Social Rights), it is still up to the member states to develop and implement their economic development action plans. With increased flexibility and funding available from the EU, there is no better time to deploy national growth models that cater to specific national and local challenges and opportunities. Employment and innovation should be two twin priority goals of such plans that are specific to ECE needs, in addition to our shared European pursuit of the digital and green transitions. National plans can and should develop a vision that spans beyond the reactive Recovery and Resilience Plans that are linked to highly specific financial instruments. While RRFs deliver an important mix of reform and investments—the stick and carrot approach, they are a necessary but not sufficient condition for ECE countries to secure a sustainable future.

There are currently different “national projects” in the EU. Some are Government-led investment strategies (e.g. Project Ireland 2040 or the National Investment Plan 2030-2050 in the Czech Republic), others double down with dedicated financial instruments (e.g. BPI in France) while others are more on the consensus building side (e.g. Britain Project) or even intellectual dialogues (e.g. Une certain idee). As an extension of the rise of the “hidden investment state” at the EU level, national development banks in Western Europe, but also in more astute political settings from ECE such as Poland, pursue an industrial policy approach. With a more interventionist role, such efforts define strategic sectors for the national economy and prioritizing financial interventions and investments in support of those objectives. With an increasing cloud of complexity and flexibility in the way the sizeable financial instruments of the EU are currently deployed, such national planning efforts are essential in maximising the impact of the current programming period, and also mobilizing private sector investments that will make for longer term, sustainable development process.

Exogenous adaptation for ECE member states essentially means paying attention to the unfolding war in Ukraine and having the political agility to take timely actions for collective welfare, but also national resilience. A strategic reallocation is underway, with some of the ECE member states becoming more relevant in the current geopolitical setting. Higher fragmentation within ECE will also ensue, as regional forums of cooperation (e.g. V4, 3SI) are damaged by the differentiated commitment to

Western alliances between countries in the ECE region. As such, bilateral relations will forge more forcefully and swifter than before.

Contextual opportunities are precious. Bulgaria is looking ahead at joining the Eurozone in 2024, which will not change its monetary policy given its long history of pegged currency but will increase its standing in the economic decision-making process of the EU. Romania looks forward to joining the Schengen alongside Bulgaria and to becoming a member of the OECD. For all ECE countries, an ongoing process of friendly- or allied- shoring, and rerouting trade can offer important growth opportunities that require once again national vision and agency in the form of economic diplomacy.

Key economic sectors are haemorrhaging because of the war in Ukraine: agriculture, energy, and household consumption. On top of severe economic vulnerabilities of impoverishment levels in their populations, the current inflationary trend will render massive segments of society in ECE in a vulnerable situation.

The war in Ukraine puts another important issue on the table for ECE – a Marshall Plan for Ukraine. How this plan will be developed should involve not only the large donors (e.g. G7), but also regional countries that share vulnerabilities and opportunities to the Ukrainian economy. For many years already, EU is financing cross-border projects between Romania and Ukraine, but never has the need for such a concerted effort been more visible than in the current context of logistical rerouting and supply chain delivery.

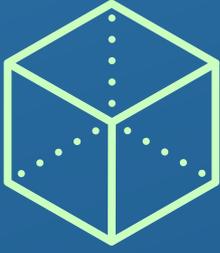
EU's Interreg NEXT program which is supposed to service cross-national cooperation in the Eastern Partnership region is in development, but is supposed to deliver more than 1 bil. EUR to the region. Detailed proposals on how a Marshall Plan for Ukraine should look like are already made by think tanks like the German Marshall Fund¹, while the EU has convened an “International Expert Conference on the Recovery, Reconstruction and Modernisation of Ukraine” in October this year to set in motion the actual planning process of such a program. Details remain unknown at this time, and despite the very large current financial, military and humanitarian support for Ukraine on the part of USA and EU², it is still unclear who will lead this effort in the

¹ Conley, H. (2022) *A Modern Marshall Plan for Ukraine. The German Marshall Fund Report.*

² See data in *Ukraine Support Tracker* from the Kiel Institute for the World Economy.

years to come. It is however very likely that the process will mirror to a large extent the current Recovery and Resilience Facility (RRF) or InvestEU program in the EU in terms of strategic objectives or priorities in such areas as green or digital. This would make Ukraine compatible with the Single Market and will further its economic integration. Still, Western donors and investors need to pay attention to how they will stabilise the whole region³. Broader local development and economic multiplication effects for all countries in the region are important so as to boost societal resilience, transnational market integration, and shared commitments to the European project and Western alliances.

³ Inayeh, A. (2022) *A Marshall Plan for Ukraine Must Come with a Regional Vision*. GMF Insights.



Bucharest Papers

The Black Sea – a regional approach

by Alina Inayeh and Doru Costea



Alina Inayeh, MPP, is Advisor to the President, German Marshall Fund of the United States. She holds an MPP from Princeton University, US.



Doru Costea, PhD, is attorney at law. He holds a PhD from the University of Bucharest.

Preamble

Black Sea has been consecutively a theater of war and area of good economic potential. The litoral presence of Russia and Turkey and their sinuous relation, as well as the interest in the region of geopolitical actors of the time imprinted its instability and created the cycle of peace and military actions. With the dissolution of the Soviet Union in 1991 it was believed the geopolitical balance around the Black Sea had been finally and permanently achieved, giving the region the much needed stability. The potential of the region has been immediately acknowledged by the creation, in 1992, of the Black Sea Economic Cooperation (BSEC)¹, as an inter-governmental body whose mission, plausible at that moment, was regional cooperation. This period of harmony ended, declaratively, with President Putin's speech in Munich in 2007², and, factually, with Russia's invasion of Georgia in 2008. Russia's interest in the entire region and its stated and manifested intention to keep it as a buffer zone between her and the West, represented by NATO and the EU, has been consecutively ignored and underappreciated. Repeated attempts to discuss a Strategy of the Black Sea, either within NATO or within the EU, have been blocked by the lack of convergence of interests and perceptions

¹ Black Sea Economic Cooperation has been created in 1992 by the governments of the countries in the Black Sea region, together with Albania, Serbia and Macedonia, in order to promote regional cooperation. It has to be noted the strategic breadth of the organization that includes Western Balkans <http://www.bsec-organization.org/>

² In 2007 at the Munich Security Conference President Putin revealed Russia's new foreign policy, evoking the dissolution of USSR as the "greatest geopolitical tragedy of the century". [Putin speech Munich security conference 2007 - Bing video](#)

on the region of member states. The Black Sea region comprises the littoral states, and Armenia and Azerbaijan. The region has been defined as such when BSEC was created, and the definition has been renewed in early 2000, when the United States understood the importance and potential of the region.

The war in Ukraine has been a brutal and definite reminder of the strategic importance of the Black Sea region and of the imperative of a **regional approach** to its stability and development. In the 10 months of war, Ukraine has been supported by countries in the region, both in transportation of its products, notably grains, to foreign markets, and in logistical support of its military actions. Romania plays an important role in Western support to Ukraine, and, together with Bulgaria, in enhancing NATO's regional defense capabilities. Joint sea and air exercises, with the participation of NATO partners in the region, notably Georgia, contribute to NATO's regional deterrence posture. While this has not prevented the war in Ukraine, it undoubtedly prevented its escalation, at least to this point. Furthermore, Azerbaijan becomes again an important source for gas for Europe, which also requires, and has, the cooperation of Georgia and Romania³. The regional dimension of security, in both its military and economic dimensions, becomes obvious yet again, and both the United States and the European Union need to integrate this dimension in designing and achieving security, stability and development in the Black Sea.

The war in Ukraine continues and the duration of its military component is still difficult to predict. Nevertheless, it is not too early to start designing and preparing for the peace to follow, for the post-conflict security and development. To this end it is important to maintain and enhance the regional dimension of both military security and post-conflict reconstruction. A strategy of the Black Sea region needs to be finally designed, with two main components.

I. Military security

Over the last three decades Russia revealed its interest in maintaining the entire Black Sea region as a buffer between her and the West, initially through maintaining and

³Azerbaijan-Romania-Georgia (AGRI) inter-connector is a project for the transportation of natural gas from Azerbaijan to Romania and onwards to Europe. It was launched in 2010 and revitalized in 2022.

fueling protracted conflicts (Transnistria, Nagorno Karabach, Abkhazia and South Ossetia), then through military aggressiveness and offensive. The military dimension of Russia's presence in the region and its strategic intentions have been revealed in 2008 and culminated in 2014, with the invasion of Georgia and annexation of Crimea, respectively. From then on, the military paradigm of NATO has fundamentally changed, as the Alliance adapted to Russia's threats and aggressive actions. The Alliance converted its posture from defensive to deterrent, extending its ability to react, and consolidating its technical, human and logistical operations in the region.

The trans-Atlantic community understood, and consequently adapted to, the regional dimension of security only after Crimea's invasion in 2014. Once Romania and Bulgaria joined the Alliance, in 2004, the region seemed to have reached stability, which increased its economic attractiveness and raised hope for a western future for littoral states. Russia's invasion of Georgia broke the regional balance, but the international community understood the irreversibility of this new reality only six years later. The anti-missile shield the US proposed and, eventually, placed in Romania and Poland, became the backbone of regional security. European countries came to accept the installation of the shield only when Russia's increasing aggressivity became evident.

In 2015 Romania and Poland initiated the B9 group⁴, whose achievement of imprinting a regional approach within NATO is recent evidence of the success of regional formats. It is important to mention, nevertheless, that the southern component of the Eastern flank (Romania, Bulgaria and the entire Black Sea region, respectively) has been less attended to and secured than its northern part (Poland and the Baltic states), which proved more vocal in promoting its security interests.

The regional dimension of security in the Black Sea region remains key to both address the challenges of the war in Ukraine and to preserve peace and stability once the conflict is over. Learning from the success of various regional formats, both recent and historical⁵, better cooperation between member and partner countries, in different setups on different issues would better put forward security needs and solutions. On these two dimensions, regional security would be enhanced by:

⁴ B9 or Bucharest 9 format brings together the countries on the Eastern flank of NATO (Bulgaria, Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia and Hungary). The format is a joint initiative of Romania and Poland.

⁵ Little Entente (1920-1938) and Balkan Pact (1934-1942) are the small formats which the countries in the region initiated and maintained between the two WW. For as long as they existed these alliances contributed to maintaining peace and security in the region, and to preservation, albeit temporary, of the borders agreed upon at the end of WWI.

-
- » Ensuring a lasting military presence of NATO on the south of the Eastern flank. Peace and stability in the region will only be achieved when all conflicts, open and latent, will be finally solved, and until then enhanced deterrence is needed. When the war in Ukraine started, the Alliance and its member states acted promptly and deployed troops and equipment along the flank, including Romania and Bulgaria. The presence of these troops and further provision of modern equipment should remain part of a medium-term plan of the Alliance to maintain its posture in the region.
 - » Maritime security and freedom of navigation should become priorities. Excessive militarization of the Black Sea, started once Russia annexed Crimea, has become a threat not only to security, but also to freedom of navigation by large. The grain crisis, started this summer and still unfolding, revealed the limits to this freedom that Russia can and does impose, and the economic impact this has. Romania and Bulgaria have poor military fleets, and, with all the effort the two countries are making to modernize them, it will be a few years before situation substantially improves. Until then, there are two actions that could increase security of the sea: 1. In 2022 the Alliance continued its naval exercises, as the war was unfolding in the northern part of the sea⁶. Nevertheless, the Alliance should increase the number of its maritime exercises, such that the presence of NATO ships in the Black Sea extends to the most. Georgia's continuous participation in these exercises, as a NATO partner, would extend the geographical reach of the deterrence posture. 2. Collaboration with Turkey, the country that controls access in the Black Sea through the Straits and has a modern and strong fleet, remains key to security in the area. The idea of a Romanian-Bulgarian-Turkish flotilla, that did not see fruition in 2016, deserves reconsideration, despite political difficulties of the current context.
 - » Military mobility within and between littoral states requires serious attention. Infrastructure of both Bulgaria and, especially, Romania remains unfitted for prompt transportation of military personnel and equipment. Despite various plans unveiled over the last two decades, connection between these two countries and other countries on the Eastern flank is still difficult. The Three

⁶ None of the official texts of the Alliance includes references to a Black Sea strategy, although they do include references to the region. [NATO 2022 - Strategic concept](#), [NATO - Official text: Madrid Summit Declaration issued by NATO Heads of State and Government \(2022\)](#), 29-Jun.-2022

Seas initiative and European funds should be used to modernize the terrestrial infrastructure and adapt it to the military needs, and the Alliance should make military mobility on the entire Eastern flank, north and south, a priority⁷.

- » A Black Sea Strategy. The regional approach to security in the Black Sea region should find its realization in a Black Sea Strategy of the Alliance. This strategy should be closely linked to, yet distinctive of, the Eastern Flank. First, the Eastern Flank does not include Turkey, which is key to security in the Black Sea. Second, security interests of Moldova and Georgia, as littoral states and NATO partners, are not sufficiently represented in the Eastern flank format. Third, and maybe most importantly, the Black Sea is shared with Russia, a reality that offers the region both strategic weight, and a particular aspect that cannot be addressed in a larger format.
- » Moldova and “frozen conflicts”. Security of Moldova is an integral and important part of regional security, and, through Transnistria, of direct relevance to Ukraine. Various solutions to the Transnistrian conflict advanced over the years either by Russia or by other countries, and at times supported by the international community, proved inefficient. Currently, Moldova’s security is seriously threatened by Russian troops and equipment positioned in or transiting Transnistria, which remains the main leverage Russia has over the country, both security-wise, economically and politically. Until and unless a solution to the Transnistrian situation is found and Moldova’s security is enhanced, mainly through improving the country’s defensive capabilities, there will not be security and stability at Ukraine’s border.

2. Economic security and regional reconstruction

The conference in Lugano in July this year shaped the idea of reconstruction of Ukraine through the collective effort of the trans-Atlantic community. A few months later in Berlin discussion continued around the cost of the reconstruction, without much clarity on the sources of funds and conditions this would come with. Ideally these will be clarified in a third conference, to be held in London next year. The

⁷ [The CEPA Military Mobility Project - CEPA, Military Mobility Project Appendix 3: Focșani Gate - CEPA](#)

generosity of the objective and the solidarity the euro-Atlantic community manifested in its achievement are not enough to ensure a successful reconstruction, which requires a strategic, yet realistic, design, of both the sources of funds and the efficiency of their investment⁸. For the latter there are two aspects that contribute to its irreversible sustainability:

- » A regional approach is required, that would create the synergies indispensable to a successful reconstruction.
- » A sustainable reconstruction requires stability not only of Ukraine, but of the entire Black Sea region.

The effort to reconstruct Ukraine is paralleled with the Marshall Plan for reconstruction of Europe at the end of the WWII. This historical equivalent is relevant not only through the contextual similarity, but also through the approach it implies. As the Marshall plan would have not been possible before the end of the war, so the reconstruction of Ukraine will not have the desired amplitude and solidity absent a minimal stability offered by the end of the military conflict. Currently an important component, both tactical and financial, of the reconstruction plan as it is being discussed, is in fact much needed support for the country to wither the war, and not reconstruction *sensu stricto*. Nevertheless, it is indeed prudent to start discussion about reconstruction at this stage, and finalize political, financial and technical difficulties by the time peace/truce is achieved and conditions are met for a real reconstruction.

The Marshall plan has been offered to Europe to assist the continent in its economic and societal reconstruction – although the latter is less talked about, it has been an important pillar of the plan⁹. 17 European countries were covered by the plan, which promoted the “necessary stability” for economic recovery and the survival of their democratic institutions. “Necessary stability” has a regional, not only national, dimension. There cannot be a stable Ukraine in an unstable region, positioned around an excessively militarized sea with limited freedom of navigation, and permanently

⁸ [Designing Ukraine's Recovery in the Spirit of the Marshall Plan | Strengthening Transatlantic Cooperation \(gmfus.org\)](#); [A Marshall Plan for Ukraine with a Regional Vision | Strengthening Transatlantic Cooperation \(gmfus.org\)](#)

⁹ Marshall plan has been announced by the Secretary of State George C. Marshall in its speech on June 5, 1947 at the Harvard University [116183.pdf \(wilsoncenter.org\)](#)

threatened by conflicts. For a sustainable reconstruction of Ukraine a regional approach to security, infrastructure and energy is imperative.

- » The sine qua non condition for stability is security, and *Ukraine's security* depends on cooperation with countries in the region, NATO members and partners. The regional aspect of security has been discussed above. Long term NATO presence in littoral member states in air, land and sea, together with improved military mobility, and preservation of freedom of navigation are essential for regional post-conflict security of Ukraine itself.
- » *Ukraine's economic recovery* involves close economic relations with the countries in the region, at least on commercial transportation, as the grain crisis proved earlier this year. Freedom of navigation in the Black Sea will remain limited in the immediate term, so Ukrainian products will continue to reach Europe on land, using terrestrial infrastructure (roads and railroads) of neighboring countries – both Romania and Bulgaria. Over the summer, as the grain crisis was unfolding, it was Romania's far from perfect roads, railroads, fluvial and maritime transport capabilities that were used to get Ukrainian products to the center of Europe. Under the pressure of increased volumes to be transported, both Romania and Bulgaria have asked for funding to improve their railroad systems and increase their fleet of trains cars and locomotives. Port of Constanta, potentially the second in volume in Europe, can become the focal transit point from and to Ukraine, should investments into the port infrastructure materialize. Moreover, the Danube, which is still insufficiently utilized despite its enormous potential, would help bypass some of the restrictions and difficulties of navigation in the Black Sea, and increase the volume of goods transported westwards. Increased synergies between available and planned funding, better political cooperation between riverane states in the maintenance of the river, and more determination in promoting the strategic importance of the Danube on political agendas would benefit the region, and implicitly Ukraine. The Three Seas initiative, which has infrastructure development as one of its main goals, should also include the Danube and its potential as one of the projects.
- » *Ukraine's energy diversification* also requires strong cooperation with neighboring countries; in particular, to move away from dependence on Russian

gas. Now connected to the European electricity grid, Ukraine receives 2,000 megawatts per day from Hungary, Romania, and Slovakia. It also relies on reverse gas flows from these three countries and supplements its gas imports with US liquefied natural gas shipped to Swinoujscie, Poland. Ukraine will continue to rely energetically on neighboring countries in the immediate to mid-term. Development of these countries' ability to deliver electricity and gas to Ukraine leads to a faster recovery of the latter. There are regional developments meant to increase the region's energetic independence and also contribute to Europe's: the recent invigoration of Azerbaijan Georgia Romania Interconnector (AGRI), meant to transport gas from Azerbaijan to Romania and onwards, and Romania's long awaited start of exploitation of its offshore gas fields, among others.

- » It would simply be a major strategic mistake if trans-Atlantic community would not use reconstruction of Ukraine to better support and anchor Moldova, both economically and security-wise.

The war in Ukraine allowed for a re-discovery not only of the strategic importance of the Black Sea, but also of the regional dimension its security, stability and economic development entail, in times of war as in time of peace. A strategic look at the region, and consequent strategies are required to manage both the conflict and its aftermath.

3. Danube – Europe's commercial lung

Strategic priorities in the Black Sea region and at the Mouth of the Danube shifted briskly with the conflict in Ukraine. In general, conflicts are approached through both short term and medium-long term solutions. The first are needed to address immediate crisis, while the latter are genuine strategies articulated to avoid the impact of regional open and protracted conflicts.

Allowing Ukraine to breathe economically while fighting a war has become a regional endeavor ever since the military phase of the war started. Adaptation of the local railway structure in Romania between the border with Ukraine and the port of Galati, on the Danube, so Ukrainian grains could be embarked on ships during the grain crisis

this summer is a prime example of a short-term solution. It also suggests a long term approach that could alleviate the economic suffocation of Ukraine sustainably.

Modification of Romanian local railway opened a paradigm that should be the backbone of a long-term strategy – reconstruction and development of infrastructure in areas of conflict as in the ones adjacent (neighboring countries), so the latter can absorb the economic traffic and reduce blockages. The reconfiguration and reconstruction of infrastructure during and after the war can only be approached considering the connections needed for an efficient, constant commercial trade.

A clear proof is the current situation, when infrastructures of neighboring countries - Romania, Poland and to a less extent Moldova - are suffocated in their effort to maintain traffic to and from Ukraine. *Reductio ad absurdum*, investments in reconstruction of Ukrainian transport capacity would render themselves inefficient should neighboring infrastructures be ignored, just as Ukrainian grains would have been left in storage if not for the rapid adaptation of the 12 km of Romanian railway. The impact of the war is larger than just Ukraine, so reconstructive solutions should have the same breadth.

Commercial breathing of Ukraine, Romania, and Moldova in European context is secured not only by roads and railway, but also by river. To this end, the Danube remains an ignored alternative. This geographic opportunity of the entire region should finally be converted logistically.

The Danube was and must become again the commercial lung of Eastern Europe, especially as the safety and freedom of commercial navigation on the Black Sea are limited, leading to the rational reaction of insurance and maritime transportation companies to oppose engaging commercially in the area.

A brief historic look allows us to remember that the Danube has represented for centuries the main channel of transportation of grains from the region to Europe, and the ports in Romania and Bulgaria have been consequently developed to allow for a sustained and constant traffic. Europe has been constantly interested in maintaining navigation on the river. The European Commission of the Danube¹⁰, which reunited

¹⁰ *European Commission of the Danube was created in 1856 and it activated until 1938, its activity frozen during the WWII. It restarted in 1948, and in 1954 headquarters were relocated from Galati to Budapest. [Danube Commission – Donaukommission – Commission du Danube – Дунайская Комиссия](#)*

the main powers of Europe, regulated navigation and commercial traffic in the area so the port of Sulina became a real gate between Middle East and Europe. English engineer Charles Hartley, who had previously managed constructions in the Channel of Panama, the Suez, and the Mississippi river, has been involved in modernization of the port of Sulina. Furthermore, during WWII, Germany initiated a plan for a Danube-Black Sea channel, as well as a Danube-Bucharest channel, so the products in the entire Black Sea region could be transported to Germany. Detailed plans to extend the navigability on the Danube have also been developed during that time, so the river would have been connected to the rivers of Rhin and Main. This brief history outlook is meant as another proof that the Danube represented a real, efficient and viable alternative to transportation on the Black Sea and through the Straits, when these were militarily insecure.

Consequently, a discussion about reconstruction must take into consideration transportation routes in neighboring countries. This involves investments in upgrading terrestrial and river infrastructure, so both a constant commercial exchange with Ukraine and an alternative access to the Black Sea are secured.

Currently, however, there are three limitations to this approach:

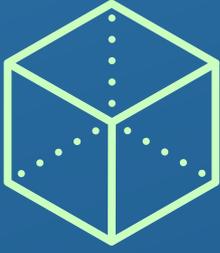
- » The technical limitations of river navigability, mainly on the Romanian-Bulgarian sector, must be solved. There are plans designed and funds available to this end, and they must be accessed and used in a regional, hence efficient, approach to reconstruction.
- » Political reluctance of some Danube countries to improve navigability on the river is to be addressed. A comprehensive approach that includes alternative or compensatory benefits, on a case by case basis, could overcome current situation.
- » There may be a certain dissonance of German interests regarding navigation on the Rhin and the one on the Danube. This is to a certain extent justified by the economic importance of the Rhin for Germany. The current context, however, highlights the benefits a direct connection Black Sea - Center of Europe (Danube-Rhin-Main) would bring to the whole of Europe, and to its Southern neighborhood.

We must bring to attention the European Commission Strategy of the Danube¹¹, adopted in 2011. The strategy generously approaches and provides for several developmental areas (navigability, connectivity, development of multi-modal ports), yet to this date most of the projects it generated and supported focus on ecological preservation of the river. The latter is unequivocally an important aspect, but in itself and especially in the current context it represents only a counterproductive limitation of the economic potential of the Danube. Implementation of good strategic intentions clearly requires political agreements more difficult to construct than the ecological consensus, yet the current context should have already taught us that avoiding them is never a good solution.

In times of war military maneuvers, destruction, and bellicose declarations are the immediate we all need to deal with. However, and by no means minimizing the catastrophe of the Ukrainian war, we need to think beyond the cease of conflict, and design the peace, or at the least the cease of conflict, that will follow. We need to embark on a regional approach to stability, so we can reconstruct, and then consolidate.

This whole concept of stability and reconstruction we hereby analyzed, and which involves a high degree of solidarity with those peoples and nations that share common European values, has been inspirationally stated by the Romanian diplomat Nicolae Titulescu in his reference to “spiritualization of borders”. One more reminder that Romanian politicians accessed Europeaness even before its legal maturization through the Lisbon Treaty.

¹¹ [EUSDR \(danube-region.eu\)](https://danube-region.eu)



Bucharest Papers

West and Tech.
**Raising the technology
agenda at Bucharest
Forum 2022**

by Radu Puchiu



Radu Puchiu is Director, Technology & Society Public Policy Program, Aspen Institute Romania.

As mentioned in the description of this year's edition of the Bucharest Forum, *"The multitude of profound crises from the past years amplified what was already a massive transformation occurring across the whole spectrum of our societies. Thus, while the security aspects remain a priority in these times of war, the conversation and actions of shaping the future stability, peace, and progress in the region and beyond are no less important."*

As expected, the societal impact of disruptive new technologies is high on the agenda. But the conversation should not neglect the complex issues of the increasingly dynamic and volatile regional and international contexts. In fact, if societal resilience is at stake, the answers should address both and provoke a forward-looking debate that ideally leads to a more coherent answer.

With no intention of limiting or narrowing the conversation, I see three angles around this need for a common answer in the West: the unity of the West on tech, the need for a broader approach to resilience, and the need for a joint cyber-defense.

Is the West united on tech?

The Russian invasion of Ukraine faced a strong and unitary answer from Western democracies. It led the once-divided European Union to unite behind sanctions against Russia - a more coherent collaboration between the US and the EU,

politically and militarily. Nevertheless, the war exposed a range of fragilities, from energy to defense, and stressed the fact that resilience depends on a strong economy combined with strategic autonomy in critical areas.

There has been much discussion about energy dependence, but the war in Ukraine also accentuates the need for strategic autonomy on critical technologies.

The European technology industry is a dwarf in comparison to America's tech giants - Facebook, Amazon, Apple, Microsoft, Google, and Netflix are worth approximately \$6 trillion while Europe's tech companies as a whole are worth about 30% of any one of the Big 4 American firms. SAP - by far the largest European technology corporation - is worth around 14% of Amazon or Microsoft. Only SAP makes it into the Fortune 500 in the Technology sector.

Yet should the vulnerability of the EU be seen and addressed separately? Or is it part of the West's vulnerability?

What we see now is more of a fragmented approach. Just to take the most recent example, the European Parliament recently approved the Digital Services Act (DSA)¹ which aims "to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses". While user protection is one of the key elements of the EU digital strategy, the DSA is rather seen as a direct fight between the EU and tech giants.

DSA is just half of the story. The Commission proposed Digital Markets Act in December 2020 "to address the negative consequences arising from certain behaviors by online platforms acting as digital "gatekeepers" to the EU single market" which is also seen as a reaction to the practices of US e-commerce giants.

As an attack on our shared values triggered an united answer, as in Ukraine, a coherent answer to critical technologies areas is more than expected.

¹ <https://digital-strategy.ec.europa.eu/en/policies/digital-services-act-package>

From local tech to global resilience

Romania is ranking 27th in the Digital Economy and Society Index (DESI) of the EU, being the last among EU member countries on three out of the four dimensions of DESI (Human Capital, Integration of Digital Technology, and Digital Public Services). Closing the digital gap between Romania and the EU is a must but the conversation should be larger than this.

Europe's strengths and vulnerabilities are a result of its members' actions. That's why Romania's answer, as any of the EU countries, should be broader as it is part of a larger coalition of democracies: addressing its vulnerabilities and contributing to the resilience of the democracies of the West.

Raising the common technology agenda from this broader perspective is mandatory. If the global geopolitical future will oppose two main approaches to freedom and human rights, free economy and markets, then solving the structural problems Romania, Europe, and the West have is a must for the unity and prosperity we need. Technology conversation should follow this path.

There is a huge need for collaboration in this area not a separate quest for solutions. The tech vulnerabilities of Europe should not become a weakness for the democratic West. And local efforts should be aligned with this greater goal.

Collaboration is the key ingredient in Cyber Defence

The vision of a more open internal European data market is part of Europe's approach to its digital sovereignty. As telecommunications have become one of the main driving forces behind nearly all socioeconomic activities, our dependency on infrastructure and data increases. With the need for expanding the networks, the number of connections and data transfers increased but the vulnerabilities increased exponentially.

The OECD Recommendations of the Council on Digital Security of Critical Activities recognize that "the multiplicity and complexity of digital dependencies across sectors and borders and along critical activities' value chains create a shared digital security

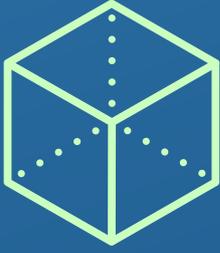
risk that no single actor can significantly reduce for all; that each actor is therefore dependent upon and responsible towards all others to manage digital security risk”.

How do we respond to such digital vulnerabilities? Can the EU be hermetically sealed from the rest of the world regarding data?

The EU’s quest for digital sovereignty should be aligned with international cyber collaboration at the same time. Protecting data but also collaborating with the tech giants. A difficult task, I have to admit

Obviously, there are more questions than answers right now. But considering the high-level presence at the Bucharest Forum and its mission of offering a platform for forward-thinking on economic, security, and societal policies, there is a good chance that the coming dialogue between governments, civil society, and businesses would provide some answers and direction.

Personally, I am hopeful.



Bucharest Papers

A European Investment Mindset – Money for People and a Return to Communities

by Ionuț Stanimir



Ionuț Stanimir is Executive
Director Marketing and
Communication, BCR /
Aspen fellow

EU money comes with a lot of significance. It means development, but it also means transfers from the richer regions to the poorer regions, it means opportunities, but it also means central planning and bureaucracy. It means recovery, but it also means resilience. And it is by no surprise that a lot of meanings are attached to what ultimately is a vehicle of purpose. Europe pursues many purposes for the simple fact that its constituencies are many, and diverse, and uneven. Like its people and like its peoples.

One thing, though, stands clear: EU money is **big, impactful, relevant, and available**. To its people and to its peoples. And that is a very good thing. One that might as well serve as a European paradigm: **Money for People**.

Big, impactful, relevant and available is not a bad place to be when you go through a technological revolution in the brewing for the last 50 years, but fully unfolding at its fastest pace. We are at the verge of AI, robotics, bio-engineering and green energy technologies changing the face of the Earth forever. And we are talking about foundational technologies which are going to be widespread, driving continuous improvement across sectors and seeing rapid improvements powered by massive capital allocation.

As such, we are talking about **big, impactful, relevant, and available (aka EU money)** meeting the kind of strategic call for playing to win in emerging technologies, determining the future. That is not an easy call, for the simple fact that EU

money is taxpayer money. And because Europeans are many, and diverse, and uneven.

In that view, what follows next is an idea of a blueprint of sorts or just a controversial view on why money needs to be allocated strategically for technologies, but even more relevant for people across Europe to feel the benefits of that investing. This why it is called Money for People and a return to communities. It refers to the buying-in and the personal benefit of the people paying for that transformation. A transformation which Europe does not afford itself to lose.

First of all to be admitted, **we have in front of us a decade of strategic calls, of investing in emerging technologies which will determine Europe's economic and geopolitical success.** Thus, let's start from where we are now. Europe does have some champions, they may not be cutting edge, but they are there in the market, employing people and fostering ecosystems of suppliers, jobs, workforce education institutions and tax contributions. So first and foremost, Europe needs to help them be capable of meeting the future. In that respect, within a blueprint to play, Europe needs to design patient capital instruments for value chains in key industries.

And those key industries need not only be cutting edge right now, but also **mapped on a chart of strategic dependencies, trade imbalances, and regional weaknesses.** In a word fix Achile's heel of European production facilities and dependencies of key imports, or single supplier weakness. Yes, that means investing on purpose in biotech in Portugal and in Poland. In Belgium and Romania. And it means charting the supplier chain of all major European player and devising a strategy to grow resilient suppliers on a radius of 500 km.

Which brings the discussion about **a second key ingredient: regional investment mindset.** This time we would mean **regional as a sum of all stakeholders of growing a particular capability: education institutions, regional public administration, companies and investment funds.** When we say regional we mean looking at scaling up regional advantages into an economic business model which sees the entire value chain being made capable of allocating investment towards the future: an university being allowed their investment vehicle, a regional administration being supported to develop a regional trade and investment agency, a local producer helped with

matching public investment once an opportunity is spotted, a regional angel investment network being accompanied with matching regional funds.

Once the strategic calls have been made, it matters a lot whether everybody can play a role. **The smart bureaucrats from Bruxelles better get the strongest allies possible: mayors, schools, business people and employees from all corners of EU.** And that shall feel like everybody chipping in for a strategic race, in their way, how it matters in Split and how it matters in Malmo.

One particular point here to be made on educational institutions. Let's leave the orthodoxy besides. **Education needs to be agile and connected to economic returns.** And the only way to achieve that is to allow them to capitalize their academic performance. Allow professors to invest in research which is being carried in the universities, allow educational bodies to own investment funds.

Not least we are getting to the core of this argument. EU money is taxpayer money, so why don't imagine the finest mechanism of all: **allow people to feel the investment in the future by crating a future return fund for every citizen.** For some it may be a special tax account where instead of going blankly into the public coffer, their tax money goes as investment capital producing individual returns. For others it may be that their part of their pension contribution is allocated to emerging technologies or maybe to educating their children into emerging technologies. We'd unite the people working today with the benefits of investing for the future even in disruptive industries. A strategic bet hedged by small contributions for an entire continent and for every citizen by themselves.

Europeans are many, diverse and uneven. Yet all of them have grown on a sense of achieving peace and prosperity for all. Their history has taught them so. And history in Europe can be a powerful asset for the future. Because history has taught us that many small people, in many small places, can do many small things, which can change the world – that's an African proverb painted on the Berlin wall, which fits like nothing to the hypothesis that an **European Investment Mindset** means **Money for People and a return to communities.**

Edited by:



Design by:

IOANA POPA
WWW.IOANAPOPA.RO

BUCHAREST, 2022