Europe: the world awaits

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What can the world expect of Europe in 2010? An inward-looking assemblage of nation states, focused on domestic problems rather than the international stage? Or an outward-facing and united community, working globally for the common good?

National politics will shape the answers to these questions in Europe's 27 Member States. 'More Europe' is not always the answer to all our problems, but on a particular set of global issues, 'a bit more Europe' is necessary.

Two lessons have been learned as a result of the global financial crisis. First, Europe's large internal market provided no immunity from the external shocks of financial market melt-down and the collapse of global trade. Indeed, Europe's welfare at home is dependent on prosperity and progress abroad. As the world's largest exporter and largest importer, Europe is connected, umbillically, to the world.

But economics is only part of our global interdependence. Together, our carbon emissions are helping to destroy the global commons. Together, we run the risk of pandemics and other disease threats. Together, we face the costs of instability and conflict in fragile parts of the world. Together, we need to combat indifference and ignorance at home, as well as global inequality, in a world in which a quarter of the population lives in absolute poverty.

The second lesson follows from the first. It is that today's challenges can only be tackled effectively through international collective agreement and action. The truth of this will be evident in the climate change negotiations in Copenhagen: the large developing countries, in particular, must participate in efforts to reduce emissions. But they will not sign an agreement that does not recognise the historical responsibility of the developed countries for damage to the climate, and their responsibility to accelerate the transfer of finance and technology to poorer countries.

By the same token, the emergence of the G-20 reflects an irreversible shift in power balances, away from transatlantic networks and Western hegemony to a new, more global configuration.

Global commitment to collective action is necessary to manage risk, but also, and more optimistically, to create a greener, more just and equal world. After all,Europe's shared values and objectives, enshrined in its treaties, are based on democracy, equality and respect for human rights. We need to take these values seriously.

In tackling global problems, there are four areas where analysis of comparative advantage suggests that Europe can make a difference in 2010.

First, trade. As the global economy begins to recover, attention will shift from a focus on avoiding protectionist measures to the further development of a trade regime that controls unfair subsidies and improves market access. Unified trade policy is the required accessory of an internal single market. Developing countries, in particular, expect a renewed commitment in 2010: to the Doha Round; the

reduction of agricultural subsidies; the conclusion of Economic Partnership Agreements; and aid for trade to help them build infrastructure and benefit from a more just trade regime.

Second, climate. Whatever the final form of words, Copenhagen will not mark the end of climate negotiations, and certainly not of climate action. Europe has made a strong commitment to 20-20-20: cutting emissions by 20 per cent by 2020, with a 20 per cent contribution of renewable energy. A bigger cut of 30 per cent is on offer if others follow suit.

Delivering this will require national action, but also deepening of the Europe-wide Emissions Trading Scheme and a range of trade-related measures, for example to protect forests in the developing world.

Many developing countries have argued strongly that the additional finance needed – estimated by the World Bank at up to $400 billion per year by 2030 - should be generated within the climate system rather than by additional measures: for example, by means of a levy on emissions trading.

Third, engagement in fragile states. The EU has a strong shared interest in tackling poverty, ill-health, injustice and political instability in the states of the "Bottom Billion". These countries account for one-fifth of the population of developing countries, but account for one-third of those living in extreme poverty, half of all children who are not in primary school, and half of all children who die before their fifth birthday.

Many member states are engaged individually, in countries from Nepal to Burundi. However, the best results have been obtained when the EU works as one: for example, the police deployment in Kosovo, or supporting African Union peace missions in hotspots like Sudan and Somalia. More of that will be needed in 2010.

Finally, aid. The European Union overall is the world's largest provider of development and humanitarian aid, accounting for €50 billion of the €80 billion total given in aid in 2008. Surprisingly, less than 20 per cent of Europe's contribution, €9 billion in 2008, is channelled through Brussels – and this share is projected to fall. The result is duplication of effort at country level, with up to a dozen European donors tripping over each other in any one country, often in the same sector, such as health or education.

In Zambia there were eight European donors active in governance reform in 2007, and six in each of education and health. A code of conduct has been agreed to try and limit overlap, but money could also be transferred directly to the European Development Fund and the EU budget.

No doubt Europe's leaders will have other issues on the agenda too, like tackling unemployment, managing public finances, and adjusting to a rapidly greying population. Internationally, the Middle East, Afghanistan, migration, nuclear proliferation, counter-terrorism and energy security.

By 1 January, Europe could have a new President of the Council, a new and more powerful representative for external affairs, and a new, common diplomatic service. Irrespective of Lisbon, there will be a new team of Commissioners. Europe needs the right people in the new posts, and the right structures – for example, the Development Commissioner needs real authority and real resources.

Even more important, however, is the right vision: values-led, global in scope, and ambitious about the potential of working as one.

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