

GENERAL SYNTHESIS

*by Elvire Fabry, Senior Research Fellow,
Notre Europe – Jacques Delors Institute*

1. Time for a strategic rebound

The sovereign debt and banking crisis has drained the energy of European leaders. It is distracting them from the major geo-economic and geo-political trends which are transforming the world. **The European Union's external stakes are largely neglected.**

With the ECB's Outright Monetary Transactions (OMT) programme markets have calmed down. Partial progress has also been made with the decision to create a first pillar of a Banking Union in the euro area. But the crisis is far from resolved with persisting risks of liquidity and banking crises. **Squaring the circle, in order to perform a strategic rebound in a time of austerity and avoid a 2030 scenario of a G8 counting no European State, is particularly difficult.** The crises in the euro area have highlighted major flaws in European economic and political governance. Strong divisions and distrust between Member States reflect profound questioning about the EU's tools to return to growth. While further steps towards integration in the field of EMU remain necessary, policy makers are wary of how these will impact national sovereignty, making them unlikely to embrace these unless there is strong pressure from either civil society or another round of crisis. Yet growing social unrest is accompanied by ever more citizens calling for a re-nationalisation of European policies. Further integration will likely take time. In addition, the intervention fatigue resulting from the internal crisis fuels a rather defensive attitude towards an increasingly turbulent neighbourhood. **There is no evidence that political leaders will find the strength and drive to see beyond internal worries and engage in global strategic thinking.**

Yet existential doubts about the EU's added value in facing external challenges will not help citizens to buy into difficult reforms and further integration; and the relative decrease of EU influence on the global scene is becoming more apparent.

With the rise of new economic powers and the diversification of international players, particularly non-state actors, **centres of decision making are increasingly diverse and competing world-views are materialising**. The emerging powers challenge the liberal order based on Western values and institutions (open markets, social bargains, democracy, multilateral institutions and cooperative security) and what until the crisis was expected to be a progressive Westernisation of the world through globalisation. **Europeans have to prepare to engage in an ever more intense competition over values.**

In addition, this diffusion of power provokes a dilution of international responsibility for global public goods, such as security, environmental sustainability, trade openness, or macroeconomic and financial stability. Economic empowerment is not directly translated into global political or hard power – in spite of dramatic increases in military expenditure in countries like China and India. The priority of rising economies remains that of fostering their growth model – also affected by the crisis – and to conduct internal reform. China, in particular, is using global governance fora for its own self-interested agenda rather than for ensuring the provision of global public goods. This tendency of the new economic powers to perform as free riders at the global level with yet no clear agenda with regards to global order, coupled with the Obama administration's focus on internal concerns, as well as the relative decline of EU influence on the international scene and the weakening of the multilateral system could lead to **a vacuum in global leadership.**

To regain international influence and have a say in the shaping of the new world order, Europeans have **no other alternative than to focus on their shared interests in the changing world and to translate these into a long term strategy.** Defining this strategy implies looking beyond the conventionally defined and widely debated new centres of powers. For instance there is a tendency to underestimate Europe's interests in Africa. By 2030 Africa will count a population of 1.5 billion and represent, together with China

and India, two thirds of the world's young professionals between 19 and 25 years of age. Europeans could better anticipate the benefits that their geographical position and historical links with Africa could offer – notably by realising the potential of this young labour force for tackling the EU's medium term demographic challenge.

Nevertheless any attempt to define a European global ambition would arguably be too rhetorical to provide a useful basis for the elaboration of a comprehensive European external strategy. **A cautious step is instead that of beginning by an accurate assessment of the main challenges derived from new demographic, economic and geopolitical realities.**

The 16 European think tanks involved in this project have therefore opted to conduct this assessment *via* the definition of topical strategic approaches:

- the promotion of EU economic interests abroad,
- a sustainable management of strategic resources,
- a comprehensive migration strategy addressing the EU demographic challenge,
- an innovative neighbourhood policy allowing to regain influence in the region,
- and a more coordinated management of hard security capacities allowing to preserve EU's credibility and influence long term objectives.

These areas of interest underline fields where the external dimension of internal policies should be actively developed in order to reap the benefits of the Single market – an obvious asset for the EU's attractiveness and influence abroad – and where more consistency could be attained between new foreign policies and traditional diplomacy, were the EEAS to succeed in thoroughly exerting its role, recognised by the Court of justice, of ensuring coherence between all aspects of EU external policies.

2. EU economic governance: leveraging European interests on the global scene

Whilst crisis management has triggered some important governance reforms in the euro area, **there is no alternative to further economic integration** to face both internal and external European challenges.

2.1. Beyond the export contest

The EU has yet to come up with a convincing growth strategy. This firstly requires the accomplishment of internal economic and financial integration and of a coordinated interaction with Europe's major trading partners. Yet the export-oriented policy of some Member States undermines a common EU approach and fails to reap the full benefits of the EU's economic weight, doing little to boost European long run prosperity, productivity and innovation.

- **The implementation of the Single market** – starting with removing remaining barriers to trade in the area of services – remains the main driver to boost internal demand and increase EU competitiveness abroad. Other than being a driver for growth, it could pave the way for a reinforced common external economic strategy and contribute to project European norms globally. (*J. Springford, CER & R. Youngs, Fride – p. 39*)

2.2. Increasing the efficacy of the EU's external economic representation

Achieving a single European voice in monetary, financial and regulatory affairs has become critical. Yet, the fragmentation of the EU's external representation and its failure to influence the global regulatory agenda are striking.

Strengthened regulatory authority and compliance within the EU, coupled with improved information sharing and coordination among all relevant European actors (public and private), would contribute to institutional compatibility and effective communication of agreed EU positions and increase its bargaining power at the global level.

- **Extending the recently established European Supervisory Authorities as institutional platforms to coordinate and represent European**

views in global financial regulatory negotiations, would constitute a significant improvement. (*F. Chatzistavrou & D. Katsikas, Eliamep & Y. Tirkides, CCEIA - p. 76*)

In addition, **increasing coordination among Member States for the representation of the euro area within international organisations** requires first and foremost understanding that European Member States are currently overrepresented and that this *status quo* is unlikely to resist indefinitely. The EU should anticipate these evolutions and organise so as to best preserve its power.

- A stepping-stone towards unified external representation would be the **creation of a euro area committee to coordinate voting rights within the IMF**, providing for fewer coalitions and subsequently strengthening the negotiating power of the European bloc. (*D. Schwarzer, SWP & F. Steinberg, Elcano & D. Valiante, CEPS - p. 66*)

2.3. Engaging with the US and China

Fragmentation not only undermines EU action but also affects relations with traditional and new strategic partners, which are mostly developed through national capitals. Other than the Commission's mandate for the negotiation of market access *vis-à-vis* economics partners, there is little emphasis on trade as a coordinated EU external strategy.

Within the present multipolar setting, more strategic cooperation between the EU and the US is required to create a global level-playing field which promotes Western values in global economic governance and addresses the ever more recurrent abuses of state capitalism (illegal subsidies, forced technology transfers or disrespect of intellectual property rights).

- **A renewed Transatlantic Free Trade Agreement** – removing remaining trade barriers – could increase the EU's GDP by 0.7 per cent per annum and contribute to setting the standard for future trade negotiations with emerging countries.
- More targeted initiatives like the **creation of a Transatlantic Innovation and Research Space and a joint EU-US Research Energy Council**

could help bring new technologies to the market and be a driver of much needed innovation and growth.

- Finally, the EU and the US should engage in **permanent economic dialogue on macroeconomic issues** in order to explore mutual challenges and interdependencies, and strengthen the normative framework for the international economic and monetary system. (*P. Świeboda, demosEUROPA - p. 50*)

Yet, Europeans also need to find a European way of engaging with the new economic powers in the construction of a new global economic order. China exerts ever-stronger economic and political power and Europeans must realise that they have interests that cannot be satisfied by the enduring pursuit of 27 diverging policies *vis-à-vis* China. No single Member State can successfully compete with China on a bilateral basis. A more proactive strategy is needed, using both multilateral channels and pragmatic EU-China bilateral alliances. The recent more assertive attitude of the EU (on public procurement, reciprocity and anti-dumping issues) must be reinforced to protect European investments in China, whilst simultaneously pursuing constructive cooperation in areas of shared interests (e.g. potential Chinese investments in the EU's neighbourhood). Europeans would benefit from:

- **more coordination on European sovereign debt bonds purchased by China** (introducing transparency between the Member States would ensure that purchases do not affect policy);
- **as well as the creation of a system of incentives supporting existing Chinese internal demands for liberalisation and pointing at a 'second opening' of the Chinese economy** (efforts to welcome Chinese private enterprises, strengthening Chinese private capital, supporting the development of company ownership, IPOs, intellectual property rights, etc.). (*A. Kratz & J. Parello-Plesner, ECFR - p. 58*)

3. EU natural resources: towards sustainable and strategic management

Highly strategic interests, like quality of life and economic competitiveness, would be threatened if climate change and natural resources depletion were to be unsuccessfully managed. Faced with rising powers' increasing consumption of natural resources and ever more assertive resource policies, the EU needs to equip itself with the necessary tools to guarantee its supply of natural resources whilst preserving its sustainability objectives. Yet recent international negotiations have highlighted that in spite of the EU's concrete and commendable efforts, in a time of global economic crisis, the EU's ability to positively influence the international debate on regulation has been drastically reduced. **Sustainable development may well be the field in which external ambition will be most driven by internal achievements.**

3.1. Acting at home

Despite the financial and economic crisis slowing down the green transition of European economies, **the EU has little choice but that of leading by example.**

- In the short-term, it is first of all by **focusing on domestic implementation and showcasing the resulting environmental and economic gains of energy efficiency and waste management**, that the EU will advance the sustainable development cause internationally. (*A. Ahtonen & A. Frontini, EPC – p. 93*)

Yet implementation is frustrated by the fact that a key strategic resource, energy, remains of shared competence between the EU and Member States. In the face of threats to EU security and prosperity, driven by increasing EU dependency on energy imports, at the very least **the EU must become more assertive internally by consolidating its common energy market.**

- **The setting of mandatory targets for the Energy Efficiency Directive** would be a step in the right direction. (*A. Ahtonen & A. Frontini, EPC – p. 93*)
- The EU must **define an unambiguous regulatory framework and clarify official EU positions on contested issues such as shale gas and**

genetically modified organisms, so as to be able to identify a targeted number of efficiently funded research projects on the one hand, and on the other, provide clear future prospects for investors. (*S. Andoura, Notre Europe – Jacques Delors Institute & C. d'Oultremont, Egmont – p. 102*)

- Where there are striking internal divisions, such as on **Carbon Capture Storage**, the EU would benefit from **being more transparent which would avoid mismanaging expectations both internally and internationally**. (*S. Tindale, CER – p. 130*)

3.2. Aligning external action with domestic choices

The EU needs to equip itself with a systematic strategic approach to resource management, consistently identifying existing resources and assessing ways to preserve and develop these according to European needs. Coherence between internal choices and EU external action is to be established in those policy areas where Member States can agree on shared European long-term strategic interests.

- One such case would be **incorporating environmental externalities in the prices of agri-food products whilst standing firm in applying the same internal regulation to external operators active in the Single market**, as well as continuing its efforts to promote internal norms on a global scale. (*N. Chambon, Notre Europe – Jacques Delors Institute – p. 121*)
- In the international context of cut-throat competition, the EU's legal tools are not always the best and sole instruments with which to pursue the EU's interests. The Union must develop a more comprehensive strategy encompassing political, diplomatic, security and economic tools. The creation of a European common market for energy must be complemented externally by a commitment to the **conclusion of unified EU energy partnerships tailored to the diversification of supply and the strengthening of Member States' negotiation power**. (*S. Andoura, Notre Europe – Jacques Delors Institute & C. d'Oultremont, Egmont – p. 102*)

3.3. Getting out of the Eurocentric vision

For the sake of coherence between its neighbourhood and energy policies, the EU needs to abandon its euro-centric approach which supports European industries and engineering firms whilst too often neglecting the development of its partners. This does not imply a less zealous pursuit of the EU's interests, much to the contrary. It entails the realisation of genuinely mutually-beneficial projects for the EU and its partners – hence ensuring their long-term sustainability.

- **The Mediterranean Solar Plan provides a good example of the need for the EU to foster the creation of a shared area of prosperity and reinforce its projects' development potential**, providing thus for the region's growing energy demands but also creating new economic opportunities for all partners. (*G. Escribano, Elcano – p. 112*)

Furthermore, the EU needs to distance itself from overly normative and improbable rhetoric, if it is to succeed in having international echo, particularly amongst emerging economic powerhouses which exert ever more influence over the resource debate by expressing the concerns of developing countries. The EU must learn to act as a mediator between opposing factions by **developing more pragmatic short-term measures**.

- With regards to the greening of global markets, **the EU could target transparency and fragmentation in global supply chains, resource nationalisation and the creation of credible incentives for resource efficiency**.
- **To engage with other influential powers, it should support both unilaterally and within international trade fora, the Asia Pacific Economic Cooperation's (APEC) efforts towards increasing trade in environmentally friendly goods, as well as all similar initiatives.** (*A. Ahtonen & A. Frontini, EPC – p. 93*)

4. EU migration strategy: from zero to positive sum

Movements of people have been deeply transformed over the past years.

In addition to the constant onset of new conflicts forcing people to flee from their country, booming young labour force in economies with low employment capacity, instability of Mediterranean countries experiencing a political transition, economic turmoil in the euro area periphery and attractiveness of rising economies, are all provoking new movements of people and call for better anticipation of European long run needs. Beyond the development of very negative discourses around immigration and integration induced by rising unemployment, **the need to address the labour force shortage of ageing societies threatening the sustainability of the EU social model, calls for a serious debate and further action regarding the establishment of a more comprehensive EU migration policy.** (*H. Martens, EPC – p. 146*)

4.1. Shifting away from a security-driven perspective

A reset of migration rhetoric in positive terms, reconciling domestic labour force needs, security and development, is imperative. **The EU has to depart from its antagonistic security paradigm, driven by Home affairs diplomacy, and develop a constructive comprehensive approach with other EU policies (development, cooperation policies...).**

- **A foreign ministers' approach relying on an increased role of the European External Action Service (EEAS) in migration issues, would be commendable in order to broaden the debate to social, economic and environmental concerns.** (*S. Carrera & L. Den Hertog & J. Parkin, CEPS – p. 152*)
- It would also imply **giving up the principle of conditionality in the ambit of development support, whereby support for development is made conditional upon results obtained in migration control** (readmission and border control). (*R. Gropas, Eliamep – p. 182*)

4.2. Engaging in the global war for talent

If the EU chooses to remain a “fortress Europe”, reluctant to welcome third country nationals, it will experience a backfiring effect when needing to attract low, middle and highly skilled migrants to fill in labour shortages. Support to legal migration by a comprehensive EU policy allowing Member States to compete in the “global war for talent” is urgently required.

- **It could be developed within the framework of Mobility Partnerships**, where groups of Member States, sharing similar needs for (highly) skilled workers and offering similar working, salary and living conditions, could cooperate more closely to put in place attractive and mutually-reinforcing policies for the recruitment of workers with the right profile. (*T. Maroukis & A. Triandafyllidou, Eliamep – p. 173*)
- To be the most attractive labour market for highly qualified migrants the **EU also needs a more unified labour market** facilitating flexibility in the allocation of workers. It should **improve and develop existing rules on admission of migrants and reinforce the possibility for residing migrant workers to move within the EU for employment purposes**. (*A. Ette & R. Parkes, SWP & A. Sorroza & C. Gonzales Enriquez, Elcano – p. 162*)
- But this process has to be accompanied by enhanced integration policies fostering social inclusion of migrants. **Further information and discussion on best practices of integration need to be developed between Member States**. (*H. Martens, EPC – p. 146*)

5. The EU’s neighbourhood as an opportunity

The litmus test for the EU’s credibility at the global level is its capacity to manage successfully a neighbourhood that has become ever more challenging with the perspective of lasting instability following the Arab political transition, the growing regional influence of a more assertive Russian neighbour and the emergence of new actors in the Mediterranean area. Too embedded in a Euro-centric vision and a defensive attitude, the EU has not yet found an adequate response to competing influences in the neighbourhood

(illiberal values, alternative attractive markets on the East, etc.). Unrest in Egypt and Tunisia as well as the Syrian conflict indeed highlight the limits of the fast yet rather formalistic European response to the Arab upraise.

The decreasing appeal of a crisis-ridden EU enjoying lower financial leverage needs to be counterbalanced by profound rethinking of EU strategic relations and priorities beyond the 2011 European Neighbourhood Policy review, allowing to reduce risks of conflict and attracting neighbours to the EU's values and Single market. Instead of fearing to be reduced to a provincial power in the global setup, by focusing on their neighbourhood, Europeans should **view the opportunities that can be seized in a more stabilised and integrated neighbourhood more positively, and prepare a positive agenda to engage the area more decisively.** (*M. Comelli, IAI – p. 197*)

- **A communication produced by the Commission (possibly jointly with the EEAS) would usefully highlight the mandatory formulation of Article 8 TEU on the engagement of the Union in the neighbourhood, and encourage discussion among institutional actors as to what the EU is to achieve through its neighbourhood competence.**
- **A strengthened and more coherent ENP could be supported by the appointment in the next 2014 Commission of a neighbourhood commissioner that is also a deputy to the High representative for foreign affairs and security policy.** (*C. Hillion, SIEPS – p. 204*)

5.1. Developing mutual interests beyond conditionality

Pursuing a policy of continuity, the EU has reinforced the principles upon which the ENP has always been based, first amongst which, conditionality. But **the efficacy of the principle of conditionality is ever more problematic**, especially in an era marked by the rise of new donor countries – the so-called new economic powers – with an entirely different approach to conditionality.

- Implementation efforts require **setting political and policy benchmarks with measurable criteria (e.g. very narrowly defined objectives, such as freedom of speech) for a more rigorous allocation or reduction of funding.** (*M. Comelli, IAI – p. 197; L. Najšlová & V. Řiháčková, Europeum &*

O. Shumylo-Tapiola, Carnegie Europe – p. 225; H. Amirah Fernández, Elcano & T. Behr, Notre Europe – Jacques Delors Institute – p. 215)

- Beyond that, concrete short-term objectives are urgently needed to react more promptly to the mismatch between on one hand the EU's long-term policies and institutional slowness and on the other hand the fast-paced changes and urgent demands of its neighbours. The EU needs to **support regional stability through innovative incentives more strictly correlated to the pragmatic objectives and interests of neighbours** (e.g. visa liberalisation, trade agreements, etc.). (*M. Comelli, IAI – p. 197; L. Najšlová & V. Řiháčková, Europeum & O. Shumylo-Tapiola, Carnegie Europe – p. 225; H. Amirah Fernández, Elcano & T. Behr, Notre Europe – Jacques Delors Institute – p. 215)*)
- **Deep engagement with civil society via the development of concrete and visible joint policies involving businesses and non-governmental organisations (NGOs)** is mandatory for the EU to understand its partners' expectations and support the voice of actors fostering public interest. In a time of austerity, capitalising on this relatively low-cost yet high value added approach is key for the successful implementation of the EU's goals in the region. (*L. Najšlová & V. Řiháčková, Europeum & O. Shumylo-Tapiola, Carnegie Europe – p. 225; H. Amirah Fernández, Elcano & T. Behr, Notre Europe – Jacques Delors Institute – p. 215)*)
- In addition, in the Southern neighbourhood, the EU must **prevent the dangerous segmentation of southern civil society by making a bigger effort in engaging with traditional and faith-based parts of civil society**. The EU could apply its civil society concept more flexibly, developing a greater dialogue with Islamic donors and NGOs along with acknowledging the potential of its counterparts' traditions in promoting pluralism and democracy. (*H. Amirah Fernández, Elcano & T. Behr, Notre Europe – Jacques Delors Institute – p. 215)*)

5.2. Developing co-management with other regional actors

To manage threats and establish the neighbourhood as a hub for sustainable economic growth, Europeans must manage their trust capital with their

partners. They should develop a more proactive and cooperative engagement with other regional actors, like Russia, Turkey or Qatar, pragmatically combining trade, hard security, migration and development objectives, as well as carrying out joint initiatives with more geographically remote powers such as China. (*A. Balcer, demosEUROPA – p. 236; L. Najšlová & V. Řiháčková, Europeum & O. Shumylo-Tapiola, Carnegie Europe – p. 225*)

- In Turkey, the EU's expertise in civil society engagement can play a substantial role in the consolidation of the country's democratic transition and a stronger Turkish civil society could help reinforce the perception of Turkey as a successful model for the Mediterranean.
- **Europeans should also explore areas where the EU and Turkey have mutual interests** and could develop common projects together with the Arab states (infrastructures, higher education and research, business development, etc.).
- **A progressive opening of the EU-Turkey customs union to other neighbours** could significantly boost intra-regional trade and provide a great example of how the EU could positively impact the region's economic development whilst simultaneously pursuing its own interests. (*A. Balcer, demosEUROPA – p. 236; H. Amirah Fernández, Elcano & T. Behr, Notre Europe – Jacques Delors Institute – p. 215; M. Comelli, IAI – p. 197*)
- In the light of the newly forged customs union between Russia, Belarus and Kazakhstan and its noteworthy potential power of attraction for EU Eastern neighbours, a re-evaluation of EU policies towards the region is also commendable to tackle growing indifference towards EU proposals – and notably towards the Eastern partnership. Yet building trust with Russia is necessary in order to progressively merge EU and Russia's interests in their neighbourhood. **The revamping of the Common Spaces dialogue** (to serve as a forum for constructive exchange between officials and working groups of ministry officials on small-scale projects) **should be accompanied by a strengthened outreach to civil society** (partnerships between municipalities and schools, student exchanges and tri-lateral projects with East European partners). (*L. Najšlová & V. Řiháčková, Europeum & O. Shumylo-Tapiola, Carnegie Europe – p. 225*)

6. EU defence: the capabilities and credibility conundrum

Talks on the Common Security and Defence Policy (CSDP) foreseen in the agenda of the December 2013 European Summit, **re-considering the role military instruments should play in the overall toolbox of EU power resources**, could not be more timely.

The economic crisis has impacted national defence budgets, and cuts in budgets without coordination across Member States are leading to the expansion of capacity gaps at a time when elsewhere, particularly in the rising economies, the main trend outlines a tremendous increase of defence expenditure. The issue at stake is not simply a loss of credibility but of basic security, as neighbours' instability and the instability of our neighbours' neighbours threaten to produce potential spill-over effects on the EU itself. The recent Libyan, Syrian and Malian cases have illustrated the increased willingness of the US to leave Europeans to deal with their own security, whilst underlining the lack of European consensus on the use of robust force. (*D. Keohane, FRIDE – p. 250; J. Techau, Carnegie Europe – p. 267*)

6.1. Conducting an EU defence policy review

The possession of a wide diversity of instruments, ranging from civilian tools – diplomatic corps, development and humanitarian projects – to traditional defence activities, has become the hallmark of EU foreign policy and has proven to be effective, for example in the Horn of Africa. Yet the use of defence as a form of statecraft needs to be clarified as there remain a number of potentially important tasks that may require the use of military force, ranging from responding to major humanitarian crises to protecting maritime trade routes.

- **A clear explanation of why Europe needs a military option is imperative and should be conducted via a “European defence review”** outlining the Europeans **geo-strategic priorities** (e.g. focusing on the neighbourhood vs remaining a security provider in Asia?), **functional shared interests** (e.g. protecting energy supplies, maritime trade routes, etc.), **and existential interests** (e.g. promotion of international law, traditional defence, etc.) as well as the types of operational scenarios EU governments should prepare for. (*N. Witney, ECFR – p. 258; J. Techau, Carnegie Europe – p. 267*)

- **EU governments should also develop defence dialogue and military cooperation with strategic partners like India, Russia, Japan and South Korea,** similar to the ones initiated with Brazil and China – respectively in 2012 and 2013 – **to develop more transparency and mutual trust.** (*D. Keohane, FRIDE – p. 250*)

6.2. Grasping the nettle of military capabilities

Going beyond the limited “pooling and sharing” initiatives – mainly in training and equipment – creates sovereignty issues.

- To address the dilemma between watered-down national sovereignty on the one hand and weak European power on the other, governments should **use the full potential of Permanent structure cooperation offered by the Lisbon Treaty, which means not only cooperation but military integration.** (*R. Kempin, SWP – p. 276*)
- The latter could have a real impact, despite reductions in defence expenditure, if **beyond the focus on equipment, duplication of production and procurement were also addressed. The leverage produced would be even more important if further developments in common logistics support systems (transport capacities...) and interoperability were pursued.** (*J.-P. Darnis, IAI – p. 284*)

Negotiations in this field need to be conducted at the level of chiefs of state and governments for they do not only determine the EU’s agility and autonomy to respond to future crises and challenges by combining diplomatic, development and humanitarian resources, but also ultimately deeply impact Member States’ industrial policies, competitiveness and employment.

None of the above can be translated into action **if a more entrepreneurial mindset is not developed** via increased mutual trust and complementarity between Member States, the European Commission and the EEAS. The proposals addressed here by the 16 think tanks therefore pave the way for a **positive agenda of EU external action** allowing for the fostering of trust of both institutional actors as well as citizens, in the EU’s capacity to effectively engage with a new global order defined by fast-paced changes and ever more diffuse centres of power and decision making.