

Europe is currently at a turning point in its history. We will only overcome the challenges which lie ahead if all of us if politicians, citizens, employers and employees are able to pull together with a new common purpose defined by the needs of the current age. Unfortunately, the financial crisis, which was the result of shortcomings in the functioning and supervision of our financial institutions, is still with us today. At this crucial juncture, the European Union needs to act decisively and together. This crisis, whose origins lie on the other side of the Atlantic, has affected Europe more than any other region of the world by uncovering structural weaknesses in the European economy that have long been diagnosed but too often ignored. The crisis has therefore acted as a wake-up call for Europe to respond to the changing global order. As with all transformations, the emerging order will result in new winners and losers. If Europe does not want to be among the losers, it needs to look outwards and embark on an ambitious long-term reform programme for the next twenty years. European Union leaders must continue adopting measures to overcome the current crisis but these must be connected to the medium and long-term reforms which the Union needs. In order to exit fully from the crisis, we must continue the stimulus measures until our economies can function on their own. If spending is cut too early, our recovery could slip into reverse. Our top priority must remain creating jobs and growth. And those Member States that can no longer afford to spend, due to costly rescue operations, rising social expenditures and declining sources of revenue, will have to rely on the European Union and other Member States to take the lead in setting up the conditions for economic recovery. If the European Union is to avoid a repeat of the crisis, it must urgently undertake reforms for the functioning and supervision of our financial institutions. Today, these financial institutions have changed few of the practices which led to the crisis, except to significantly reduce their lending. Europeans will need a highly competitive and sustainable social market economy in order to maintain social cohesion and to fight against climate change.

Human capital is the key strategic instrument for ensuring success in the global economy. And yet, Europe has lost considerable ground in the race to a knowledge economy. Catching up will require a coordinated effort. Member States must mobilise the resources they agreed to invest in research and development, with the help of the private sector, and reform all aspects of education, including professional training. Europeans must tackle our demographic challenge. If urgent measures are not taken, our aging societies will put unsustainable pressure on our pension, health and welfare systems, and undermine our economic competitiveness. Priority measures must include increasing the proportion of women in the workforce; facilitating a better work-life balance; reforming our approach to retirement, so that it is seen as a right and not an obligation; and developing a more pro-active immigration policy suited to our demographic and labour market needs.

Our citizens want the European Union to serve their interests, and therefore expect their social, civil, family and employment rights to accompany them wherever they may move within the European Union. It is by guaranteeing the portability of social rights that the European Union will become more meaningful to our citizens.

All of this calls for a new compact between the European institutions and economic and social actors; and between different levels of power - national, regional and local. Above all, the situation calls for strong political leadership, a form of leadership marked by the capacity to sustain an honest and

fruitful dialogue with citizens and to govern in partnership. Ensuring the support of our citizens will be vital, not only for the European Union to withstand the social and economic impact of the crisis, but also for it to undertake the structural reforms needed if Europe is to emerge stronger in the future. The European

Union is more than a common market. It is also a Union of values. With the support of the citizens of Europe, the European Union can lead efforts to address major global challenges. Confronted by a crisis which they did not create, our citizens will only renew their belief in the European project if their leaders are honest

with them about the scale of the challenges ahead, and if they are called upon to make efforts comparable to those that brought prosperity to Europe after the Second World War. Since the end of the Cold War, the speed and scope of change has been breathtaking. The last twenty years have left nothing untouched: how we work, how we consume, how we travel, how we relate to each other, the reasons we empathise, and the issues that scare us have all been transformed. And most of these changes have caught us by surprise. The global financial crisis is only the latest in a series of events which have shaken our convictions and belief systems. For the first time in Europe's recent history, there is widespread fear that today's children will be less well off than their parents' generation. Today, we live in an age of insecurity. This situation poses an unprecedented challenge for the European Union. During most of its existence, it constituted an anchor of internal stability, creating peace, democracy and a fair share of prosperity on half of the continent following the Second World War. In time, it brought Europe's other half on board through a process of political and economic integration. These successes allowed the European Union to become the world's largest economic power, encompassing a single market and currency. And yet, as European citizens peer into an ever more complex and uncertain future, they do so without the common purpose which characterised the post-war years. The European Union's past achievements were focussed on its own corner of the world. During successive stages of integration, Europe's external environment remained relatively stable. Today the situation could not be more different. Rapid changes are sweeping across the world. In the next twenty years, there will not only be several poles of power, but the world's centre of gravity will also have shifted - to Asia and the global south, to new public and private actors, upwards to transnational institutions. The challenges which Europe faces today stem as much from developments outside its borders as they do from the European Union's timidity in responding to them. If the European Union is to secure its future, it will need to adjust its objectives and

policies to cope with this fast-changing world. If the last twenty years have been disruptive, the next twenty are likely to be even more unsettling. A new world is emerging where power is more diffuse and international dynamics more complex. With slower growth than its main competitors, the European Union's share of global wealth is inevitably declining. The European Union's human capital has long underpinned its economy, based on cutting-edge innovation and creativity. But other regions are now moving ahead through higher levels of investment in research, technological development and innovation. By 2030 Asia is expected to be at the forefront of scientific and technological developments, producing high-value goods capable of transforming production and overall quality of life. As the emerging economies catch up with living standards in the advanced industrialised world, the global consumption of energy is increasing. By 2030 world energy requirements are likely to be 50 percent higher than today, with fossil fuels representing 80 percent of the supply. Dependence on energy imports is set to increase, with the European Union importing nearly two thirds of its needs. In addition, the availability of energy and other essential resources is likely to be adversely affected by climate change, and many predict severe shortages by 2030. Price volatility and supply uncertainties will also be exacerbated by political volatility in energy-rich countries. Renewable energy will have grown more rapidly than traditional energy sources, but by 2030 it will still only represent a small part of world energy supply. Compounding this trend is our failure to curb losses in biodiversity, with serious implications for long-term economic sustainability. All this is taking place against a background of sweeping societal transformations in our countries. In an aging society with almost twice as many people over 65 per worker as today, European Union Member States will have to make considerable efforts to finance their social support regimes and to retain older people in the workforce. As the domestic supply of labour and skills declines, Europe will need to attract more migrant workers, with

consequences regarding our ability to manage societal integration. Finally, a technological and communications revolution is changing both our private and professional relationships, imposing new patterns of life and work which many find too difficult to cope with. The crisis has highlighted the structural weaknesses which underlie most of the European economy: lower productivity, structural unemployment, inadequate labour market flexibility, outdated skills and poor growth. At the same time, the softer impact of the crisis in countries such as China and India and their much faster recovery have led many to take a less benign view of the rapid changes affecting the world economy. Today there is concern that emerging economies might realise their full economic potential while taking advantage of Europe's structural weaknesses. In truth, current shifts in economic output can be mutually beneficial, leading to increased levels of investment, trade and consumption on all sides. But the European Union cannot assume that the rise of the rest will necessarily result in a win-win situation. If the European Union does not adjust to the needs of the global economy, there is a real danger that Europe's relative decline may become absolute. Embracing a global ambition should not result in scaling back domestic reforms, far from it; external influence cannot be achieved without solid growth and internal cohesion throughout the European Union. But our current era has decisively become a global one, a transformation which is creating new winners and losers. If we do not want to join the losing ranks, we have to take bold action now. The challenges we face today are different from those of the past and call for different responses. Whether we look at relative demographic and economic decline, climate change or energy shortages, the challenges can only be properly understood and tackled when situated in a regional and global context. This is where the European Union as an entity, which is much more than the sum of its Member States, can demonstrate its value. By combining multiple levels of power, from the global to the local, the European Union is more capable than any Member State in meeting

the major trials of the 21st century. This will not happen automatically. Even if the European Union enjoys the necessary structures and instruments, these need to be harnessed by the Member States with determination – and for the right purpose. Fundamentally, the European Union's common agenda boils down to two overarching and integrated challenges: ensuring the sustainability of our social and economic model; and developing the means to support and defend this model, along with our common values and interests, in the global arena. For the European Union to become an effective and dynamic global player, it will also need to shift solidarity to the heart of the European project. Solidarity is not an unconditional entitlement – it depends on individual and collective responsibility. As such, it can and must inform European Union policymaking and relations at all levels, between individuals and generations and between localities, regions and Member States. Yet European citizens are still hard-pressed to find answers to their problems in the European Union. If our mission is to be shared, politicians and citizens must take ownership of the European venture. At the heart of the European community is a distinctive economic and social model. Based on the idea that economic growth should be pursued through the market for social ends, the model enjoys wide public acceptance. It helped transform Europe after the Second World War into an area of powerful industries and services with strong employment creation potential which, in turn, allowed for a fair system of social protection. A virtuous circle was thus completed, binding together solidarity, responsibility and competitiveness. Yet against the background of new domestic and global pressures, this model needs to be re-defined and adapted to a changing context. In the last two decades, the European Union's potential to generate growth and jobs, and consequently to improve living standards, has lagged behind that of its main trading partners. Although some of its Member States have managed to break this mould, overall the situation continues to this day. By revealing structural weaknesses in the European

economy, the current financial and economic crisis has acted as a wake-up call. Faced with the increasing competitiveness of the emerging and developed economies, the European Union must embark upon a bold new reform programme aimed at achieving higher economic efficiency. At the same time, the consensus that exists around the model depends on a continued balance between its social and market dimensions. This balance has been disrupted over time as social inequalities have increased. For some European Union citizens, social exclusion and poor working conditions are still a reality. The answer to this problem is not an end to economic reform. On the contrary, a renewed emphasis on increasing economic efficiency needs to go hand in hand with new social policies. In other words, the sustainability of Europe's economic and social model will depend on our ability to restore a dynamic equilibrium between the economic, social and environmental dimensions of development. A strong and globally competitive economy characterised by high productivity is a precondition for improving living standards. Economic growth is increasingly based on technological change and enhanced specialisation in the context of deepening globalisation. These developments affect workers and companies as well as the operation of markets and the management of companies through a process of structural change. Digitalisation is increasing the scope for outsourcing, and the ICT-revolution may give ample scope for growth in productivity for decades to come. Unnecessary burdens on labour and companies must not stifle the growth of dynamic and innovative service production while entrepreneurship and risk-taking should be encouraged. Our shared vision is that technological change, globalisation and aging populations call for urgent structural reforms with a view to enhancing flexibility, competitiveness and dynamism. Reforming the labour market is central to creating more and better jobs. Member States should aim at improving three key aspects of their labour markets: the flexibility and security of their

workforce; labour mobility; and the culture and management practices of enterprises. Workforce participation rates must also be increased. The capacity of the workforce to adapt to constant shifts in production is a key element in maintaining productivity. Labour flexibility needs to have its counterpart in labour security. In a fast-changing world, it is not jobs that need to be protected, but rather the person who loses a job by enhancing his or her employability. Central to this approach is the capacity to acquire and adapt skills over the course of a lifetime, combined with the conditions for transporting skills between and within Member States. Today, it is still difficult for workers and entrepreneurs to access and understand the rules and regulations which apply to taking up employment or starting a new business. While red tape cannot be legislated out of existence, it should not be a barrier to mobility. Most importantly, social security rights should, once and for all, be readily transportable between Member States. The recognition of qualifications across the European Union needs to be ensured, and multilingualism encouraged. Finally, far-reaching changes are needed in the culture and management practices of enterprises if efforts to upgrade the skills of their workforce are to succeed. Companies will need to be more supportive of workforce initiatives and open innovation to improve competitiveness through new production processes and technologies. They will also need to foster a culture of ownership in the enterprise. This new push for economic reform must be accompanied by newly targeted measures aimed at enhancing security and solidarity for the individual. Social support systems deserve robust protection against abuse or moral hazard. Rights and entitlements must be balanced with responsibilities and obligations. In particular, social security systems should be adapted in favour of rapid reintegration into the labour market rather than long-term support of people of working ages. Likewise, Member States should dedicate adequate resources to fighting against social



exclusion, poverty, and gender discrimination, by, for example, implementing existing European Union legislation to ensure agreed-upon minimum standards. A crucial part of this endeavour will involve empowering job-seekers and other social partners. By providing adequate coordination in the area of social and tax policy, the European Union can support the capacity of its Member States to pursue social objectives in accordance with their individual preferences without causing distortions of competition or undermining the Single Market. The European Investment Bank and European Social Fund should be fully harnessed in support of antipoverty and social cohesion goals agreed at the European Union level. The European Union should also contribute to the objective of a healthy European population - a crucial economic and social asset - in particular through the development of healthcare, well-being and age-related industries and services. Finally, in view of the crisis, the business community should assume its responsibility by committing itself to self-regulation in the areas of ethics, accountability, social and ecological awareness, anti-discrimination, life-long training and continuous improvement in working conditions. Left unattended, these trends would aggravate the bias of tax systems against job-creation and the difficulties of Member States in addressing inequalities. They would also lead to a race to the bottom in social protection and would exacerbate the opposition to integration. In short, the economic and the social dimensions of development would enter into a lose-lose situation. Against this unfavourable background, a re-launch and completion of the Single Market are unlikely to happen without a new strategy or deal. Such a deal should consist of a commitment to extend - within specified deadlines - the Single Market to those areas where it is still lacking or where it is insufficiently developed, first and foremost the area of services, including the financial sector. This should be matched by initiatives, if not further integration, in the

areas of cohesion, social and tax policies, respecting the need for European Union competitiveness. At the same time, efforts to advance towards a low-carbon economy must go hand-in-hand with measures to enhance social inclusion, particularly in relation to education, employment, information, health and banking services. Knowledge-based and creative industries and services have expanded significantly over the last two decades, becoming the central pillars for employment and economic dynamism in Europe. The days when the European Union's competitive advantage could be measured in wage costs are long gone. Today, intelligence, innovation and creativity have become the relevant benchmarks. They are Europe's insurance for future prosperity. We live in a world which demands not only high-value products and markets, but also, increasingly, high-value skills. And yet, Europe is falling behind in the skills race. On current investment trends, by 2025 Asia may be at the forefront of scientific and technological developments at the expense of the European Union and the United States. It is estimated too that by that date nearly a million Chinese and Indian students will study abroad, bringing a wealth of talent and experience back to their Asian homelands. This contrasts with the relatively small number of European students studying outside Europe. The European Union cannot afford to be complacent when confronted with this trend. A better use of human talent will be the key strategic instrument for ensuring upward mobility for individuals and progress for European society at large. If the European Union is to realise the promise of the knowledge society, it must deliver excellence at all stages of the education process; continuously upgrade the skills base of its population according to need; and create a social, economic and regulatory environment in which research, creativity and innovation can flourish. A solid educational foundation at the primary and secondary school levels can have a huge influence on a person's ability to progress through life. Too many European citizens and third-world nationals living in Europe do not have

access to educational systems of the highest quality. Urgent action is needed to address this situation, including providing teachers with the professional recognition they deserve; developing flexible and open curricula capable of nurturing curiosity and creativity among children; and strengthening links between public educational systems, business and society. Similarly, there are not enough first-rate universities in the European Union, making Europe less attractive to top qualified graduates. The European Union needs to remedy this situation by building a network of top-level higher education establishments able to rival the best in the world. The quest for excellence does not preclude a parallel effort to promote greater access to university educations with a view to improving average educational levels among the greater population. Excellence requires critical mass and cooperation, in effect, a common space for students, universities and academic research. The administrative and financial autonomy of universities must also be encouraged, as this is the most effective way to increase private funding for higher education. As future beneficiaries, high-income students should contribute to the mounting cost of education while a system of scholarships and student loans should be made available to students who need financial support. Competition between universities must also be promoted, as should governance models based on accountability and transparency. Indeed, correcting the mismatch between the supply and demand for expertise must become one of the top priorities of the educational system. This will require a strong emphasis on upgrading skills in order to prepare individuals for employment transitions as well as the use of new technologies and skills. The necessary precondition, in turn, will be the realisation of a flexible, life-long learning culture, where individuals are able to return to an education at any point in their careers under conditions similar to the young. Learning to learn must become a guiding principle throughout the educational system. Europe often finds it difficult to translate

scientific research into new products, new patents, new entrepreneurial activities and new jobs. A lack of competition in service markets inhibits innovation, raises costs and limits growth. Financial services, next-generation digital services, energy solutions and services to promote health and learning have all huge potential. The European Union is well placed to become a leader in the new service industries, but only if service providers are supported by a European-wide market and a new regulatory environment where innovation and creativity can actually flourish. In this context, it will be equally important to put in place the measures needed to reinforce risk-capital markets and the availability of seed capital. In particular, SMEs – which are very often at the forefront of innovation – need more adequate support mechanisms, including access to risk capital, to help them compete in the global marketplace. The creative economy will continue to evolve faster than the political processes intended to support or regulate it. Every day it reveals new horizons and revolutionary prospects. Flexibility and responsiveness must, therefore, be the backbone of any regulatory framework in this field. Facilitating a culture of risk-taking and entrepreneurship is even more important. Only this will allow the European Union to fully reap the rewards of research and experimentation, and with it to create new jobs. The combination of aging populations and a contracting domestic labour force is set to have drastic consequences for Europe. Left unchecked, it will translate into unsustainable pressure on pension, health and welfare systems, and into negative outcomes for economic growth and taxation. If Europe is serious about moving towards a knowledge society, efforts to enhance economic efficiency and upgrade the skills of the existing population must be complemented with active measures to address this demographic challenge. Not least, it must include a concerted effort to make the European Union an attractive destination for immigrants. Without migration, the European Union will not be able to meet future labour and skills

shortages. It will also see a reduction in cultural diversity and experimentation, prerequisites for creativity and innovation. To begin with, family-friendly policies aimed at stabilising or increasing fertility levels should be put in place. Additionally, the impact of reduced domestic labour forces, including the related issues of financing healthcare and pension schemes could be partly offset by increased productivity. Steady growth in productivity would allow for a revised allocation of resources that could help fill the increasing gap between pension receivers and contributors. But with European demographic patterns becoming entrenched, the impact of these measures will not be sufficient. In the end, the European Union's demographic challenge will only be addressed through two sets of complementary actions: boosting labour market participation rates; and implementing a balanced, fair and pro-active immigration policy. The second step will involve removing the legal, administrative and cultural barriers to promote greater intra-European-Union labour mobility. Key instruments in this regard include the full portability of welfare and pension rights, improved language training, full recognition of academic degrees as well as professional skills throughout the European Union and the development at all political levels of a truly nondiscriminatory environment. Last but not least, a major shift is required in our approach to retirement. Current early retirement practices should be discouraged. Retirement should become an option for individuals rather than an obligation. The working life should be prolonged through an increase in the actual as well as the statutory pension age. In general, there is a need in Europe for a shift in attitudes. Too often, immigration is perceived as a burden to be shouldered rather than an opportunity to be seized. Europe has much to learn in this regard from Australia, Canada and the United States, with which it is in direct competition for talented and skilled immigrants. Drawing on the experience of these countries, the European Union needs to develop a common

immigration policy with the aim of attracting the most qualified, talented and motivated immigrants while taking measures to prevent the loss of human capital in sending countries. Once established legally in the European Union, immigrants should enjoy the same social rights as European Union nationals. The potential within existing immigrant populations to boost labour force participation should be tapped through investment in language, vocational training and general education, combined with determined anti-discrimination strategies. All forms of discrimination against immigrant workers and their families should be removed. As tens of millions of third-world nationals lawfully cross the European Union's external borders every year, it is also essential to enhance control and verification mechanisms inside the European Union. This would ensure the burden of migration control is not unilaterally shifted towards the European Union's external borders and the countries securing them. If the European Union is to deliver on its ambitious agenda, it will need to become a much more assertive player on the international scene. From increasing Europe's economic competitiveness to racing ahead in the knowledge economy and providing its citizens with freedom and security, the challenges at stake are global in nature and only international strategies will be able to address them. Furthermore, as power shifts away from Europe and the United States, the rules of international engagement are themselves being redefined. In this turbulent landscape, the European Union can no longer afford to muddle through. It needs to become a driving force in shaping the new rules of global governance, or risk being left behind. To advance purposively, it will also need to champion an international environment that will enable the European Union to promote its agenda. Finally, Europe will only thrive in a competitive world if it promotes the key elements of a renewed European growth model, based on competitiveness, inclusion, social responsibility and environmental sustainability. Other global players, in

particular emerging economies, will follow their own trajectories, making it all the more important for the European Union to identify shared interests and common modes of operation through multilateral and bilateral discussions. In the short term, the European Union agenda should prioritise the promotion of ILO initiatives, such as the Global Social Floor or the Decent Work Agenda, while ensuring that they are in line with the principle of open markets. It should also build on its solid commitment to Fair Trade to encourage other parts of the world to do the same as an important contribution to international solidarity. European citizens have expressed their desire for the European Union to take on more responsibility for their interests and values on the global stage. But what sources of power can the European Union lean on in order to carry out this mission? Member States should increasingly understand and rely on the European Union as a power multiplier, which helps them achieve goals which they otherwise could not. Yet a Union of 27 Member States pooling their sovereignty in order to reach common decisions is not an obvious global powerhouse. The fact that European Union decisions on foreign policy are taken by consensus is widely seen as a handicap. The European Union's power to influence depends on our ability to overcome divergent national interests through the shaping of common positions. The European Union must therefore persist in our efforts to achieve greater coordination in order to speak with one voice, or at least orchestrate our polyphony in a coherent way. This process will take time, but must start by improving the linkage between national and European Union policies and by Member States, increasing their participation in collective actions. Through the sharing of national perspectives and experiences, these exchanges should make diversity a strength for European Union foreign policy, not a weakness. The Lisbon Treaty has helped in a number of ways to strengthen the European Union's foreign policy toolbox. For instance, the enhanced cooperation procedure, if used in moderation, can work as a palliative where

divergences remain on important issues. The new European External Action Service should be fully developed and staffed with a view to helping the European Union identify its common interests and work out joint policies, after due coordination of the national positions. Nevertheless, the root of the problem remains: the gap between the European Union's capacities in the areas where it is entitled to act (economy, trade, development aid, competition policy) and its lack of real common instruments in the area where its original mission has expanded: foreign and security policy. Compared to the panoply of economic and legal instruments at the European Union's disposal, its military and political instruments are much weaker. For many people around the world, the European Union remains a critical reference point, an alternative model for traditional inter-state relations and a transnational community of law which has brought prosperity and cohesion to a region formerly torn apart by hot and cold wars. This 'soft power' is the European Union's greatest asset. The European Union must become a continental hub through strategies of inclusiveness and engagement. These strategies were used with great success in the European Union's successive rounds of enlargement. The European Union must stay open to potential new members from Europe, assessing every candidacy on its own merits and compliance with the membership criteria. These are in fact the true limits of Europe. In line with this policy of engagement and inclusiveness, the European Union must honour its commitments with regard to the current official candidates, including Turkey, and carry on with the negotiation process. At the same time, it should offer far-reaching agreements to potential future candidates as an intermediate stage prior to the launch of accession negotiations. The European Union's power of attraction must also remain the centre-piece of its evolving neighbourhood policy. It must develop an enhanced role in stabilising its immediate surroundings by building on the existing 'European Neighbourhood Policy', 'Eastern Partnership'



and 'Union for the Mediterranean'. These partnerships should be used to create a regional space of democracy, human rights, development and free trade. They should also offer fair access to the European Union market and ultimately a space for the free movement of people to the benefit of the European Union and its partners. Moreover, the European Union should manage a strategic co-existence, modernisation and region-building policy with Russia. The impact of the European Union's external action will in large measure depend on its ability to adapt to the many challenges it will face in leading up to 2030. Securing the European Union's economic strength and internal cohesion will therefore be an indispensable condition for the European Union to be able to project its power externally. But when devising its external position, the process of policy formulation must not only be driven by events. There is an urgent need for a common European strategic concept. This concept should pull the European Union's diplomatic, military, trade, and development policies together with the external dimensions of its common economic policies (EMU, energy, transport, et cetera). Only by merging all its available tools will the European Union be able to act as a transformative power and contribute to reshaping the rules of global governance. By means of a White Paper, which would be regularly updated, the strategic concept would help to define the European Union's long-term priorities and become the reference framework for day-to-day external action. This could be done by setting up a European forecasting and analytical unit, as part of the European External Action Service and working in close cooperation with national centres under the principle of shared intelligence. Such a unit would help focus attention on the need to continuously revisit current policies. In addition, a European diplomatic academy would contribute to a sense of common diplomatic culture. Only by developing such a strategic approach to its external affairs will the European Union be able to translate its huge financial effort (the world's largest by far) more effectively into political

leverage. It should use its structural advantage to pursue smart development and trade policies. For instance, the European Union should pursue climate change mitigation support in the poorest regions, which climate change hits the hardest and which have contributed the least to global warming. It should also continue its effort to trade away poverty, especially through agricultural imports. This will require politically difficult decisions by European leaders, including bringing the Doha round to a conclusion. The strategic use of the European Union's varied tool-kit should also allow it to become a more effective promoter of democracy, the rule of law and human rights. A policy of conditionality that empowers democratic actors and discourages the abuse of power by authoritarian regimes must be used more wisely. This will require holding discussions with civil society partners, including associations of women and minorities, and not only government interlocutors; bottom-up interventions to bolster the rule of law around the world; and a more consistent approach to election monitoring. In the next two decades, this governance agenda must become multilateral to the greatest extent possible. Last but not least, it will be necessary to develop an European Union approach to global governance reform. The European Union should lead the reform effort to make international institutions more legitimate and conducive to shared responsibility, while promoting its own interests in the process. This should include simplifying and bundling together its representation, especially in international economic fora. As long as single European Union representation is not achieved, European Union members represented in international organizations should precisely coordinate their positions and defend them unanimously.