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Freedom or Serfdom - Fateful Years ahead for Europe

Why the EU must change its self-image and regain sovereignty for the geopolitical turning point

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▶ Fateful years lie ahead for the EU. Its geostrategic sovereignty is dwindling at a time that is characterised by external threats to freedom and peace as well as internal threats to stability and unity. Its geo-economic position in the global economy has also become weaker at a time when global markets and supply chains are being reorganised in terms of technology and trade policy. Peace, freedom and prosperity, the EU's promised values, have become more precarious than they have been in a long time.

▶ The geopolitical turning point is a profound crisis of order for Europe. In order to secure peace, freedom and prosperity for the future, the EU must fundamentally regain sovereignty and competitiveness. However, the EU is unprepared politically, institutionally and mentally for the new global realities. At this historic milestone, the EU must be clear about what it is and what it wants. The pressure to act is acute in view of the high level of geopolitical instability.

▶ The EU is suffering from a structural strategy vacuum, which it must address in a targeted manner in order to meet the challenges of the future. This requires a paradigm shift in the EU from a strong regulatory domestic focus to one aimed at foreign trade and security policy. Such a paradigm shift should also be geared towards utilising Europe's true strengths in global systemic competition: the freedom of the individual, the innovative power of companies and the solidarity of the community.

▶ The EU must restore the ultimate source of its sovereignty by reinforcing its defences against external threats, regaining its global technological leadership and strengthening its political strategic capability. This, however, requires changes to the treaty foundations and the creation of the necessary institutional conditions. Nothing less than a new historic phase of European integration is about to begin, in which nothing less than the continued existence of peace, freedom and prosperity will be decided.

Preamble

Europe is facing a time of historical upheaval, a time of internal and external threats to peace and freedom, with great opportunities as well as risks from new technologies, and a time beset by the consequences of climate change and its impact on prosperity and justice. Today's Europe is the result of its eventful history, its experiences and the lessons it has learned from its scientific and cultural achievements, from its civilisational accomplishments, as well as from war, suffering and crisis. The legacy of the past has also given us a promise for the future: human dignity and freedom are inviolable. Today - in the face of major upheavals that will decide the fate and future of Europe - the question once again arises as to what solutions Europe can find to the troubles of the present and the challenges of the future. Can it preserve peace and freedom, defend its sovereignty and security, and increase prosperity and justice?
With this series of articles, the cep Network would like to draw attention to pressing issues and developments which go beyond day-to-day politics and regulation and will be of crucial importance for the EU in the run-up to a significant and game-changing European election. We aim to ask the key questions, shed light on their strategic context and provide some political answers.

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1   Why the geopolitical turning point is also a crisis of order for Europe

We are at a turning point. War is back in Europe and the world is in disarray; global supply chains are suddenly exposed to considerable geopolitical risks; artificial intelligence and data are creating new opportunities but also bring a risk of technological dependency; climate change is no longer a distant problem for future generations but is happening here and now. The acceleration and mutual intensification of these developments has created tipping points: there is only a short window of opportunity left to actively shape the future before irreversible, possibly uncontrollable dynamics set in. The question arises as to whether, in this situation, Europe has the sovereignty, the scope for action and the will to take the future into its own hands in order to defend the EU as an economic and legal area and as a normative system of democracy, market economy and the rule of law.

The current accumulation of crises ("polycrisis") is no coincidence, but the expression and consequence of a profound crisis of order, particularly for Europe. In a crisis of order, there is a high structural tendency towards crises. When systems fall apart, they automatically lose their ability to provide stability and security. Simple political crisis management is then no longer sufficient; new orders need to be created. The most important realisation in a turning point that consists of fundamental, indeed paradigmatic upheavals, is to understand it as a profound crisis of order because only then can the right (regulatory) political and institutional conclusions be drawn from it. The special character of the EU, which arises from its formation, constitution and governance, makes the crisis of order a question of existence and destiny, as it is necessary to examine whether the EU can still fulfil its promise of peace, freedom and prosperity. This is especially true against the backdrop of geopolitical systemic competition with the USA and China. The seriousness of the situation, the scale of the challenge and the significance of the upheavals should not be underestimated.[1]

1.1   The end or the beginning of a European era?

The turning point for Europe did not come without warning; it actually began in 2016 and its causes may even go back to 1989, when the division of Europe into East and West came to an end and, according to the US political scientist Francis Fukuyama, even history itself came to an end, which we now know to have been a highly temporary state of affairs. For Europe, a politically extraordinarily stable and economically successful period was actually just beginning: China ensured a never-ending demand for European exports and at the same time a favourable supply of inputs - the *terms of trade*, accompanied by an artificial devaluation of the renminbi and a long phase of supply-related low inflation rates, could not have been better. The USA also guaranteed security, especially in a global security order that corresponded to its own values and in which the USA also took over strategic thinking for the EU. In addition, the energy supply was secure and the danger that something might cease to exist at some point had almost completely disappeared from the consciousness of European societies. Accordingly, this deceptive and all too comfortable feeling of invulnerability has accumulated into a strategic deficit that is now becoming visible under completely different conditions. Before he died, German Chancellor Helmut Schmidt referred to the rise of China and Europe's dwindling importance in the world relative to the world population and global economic output, saying that in the 21st century, nothing less than Europe's self-assertion is at stake. At the same time, he called for realism when it came to Europe's ability to convince the world of its values.

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[1]   For a detailed description, see DePetris et al. (2022), The next level of EU.

Meanwhile, history has long since returned to global politics. The current crises and conflicts will not simply disappear unless a new order is created but nobody as yet knows exactly what this new order will look like. Analyses such as those by Charles Kindleberger show that this phase of transition, as one order comes to an end and a new order emerges, is a prolonged, necessarily disorderly process, not always but often accompanied by military conflicts, known today as the Thucydides Trap. The instability results from the vacuum of rules and institutions. The Princeton historian Harold James therefore believes that the greatest danger at present is that things "take their course", i.e. that dynamics could emerge by chance that determine the further course of history and at the same time are almost impossible to control. In an interview, Yuval Harari also expressed the thesis that, in view of massive hybrid warfare, the Third World War may already have begun, just not according to conventional standards.

The turning point also means that the next few years, possibly even months, will have a decisive influence on the course of history in the coming decades: Can the USA maintain its hegemonic supremacy, will it be a Chinese century or can Europe develop into a power of order and peace? The era that is now dawning could be a European one. Freedom and maturity as a legacy of the European Enlightenment, Kant's Categorical Imperative as a modern ethic of responsibility, the social contract theories of Rousseau and Mill, the empiricism of Hume and Spencer, the moral philosophy of Smith and Bentham. All of this is still a viable basis for the future, and especially now: climate change requires a universal concept of responsibility, artificial intelligence is putting human maturity and dignity to the test, and the global triumph of autocracy is challenging liberal democracy. Europe has an answer to all these challenges and developments, an answer that has been shaped and developed over centuries. Like no other continent, Europe has preserved peace on the outside and defended freedom and created prosperity on the inside. But just at a time when all of these values and experiences are once again being called upon, Europe finds itself weakened and vulnerable. [2]

1.2 The threefold challenge to the European order

The turn of an era finds its concrete expression in a multitude of crises, but in abstract terms it is based on a comprehensive, multiple crisis of order that has three main causes and manifestations:

- **The new geopolitics and its consequences for security and sovereignty**
  The most important order that is coming to an end for Europe is the geopolitical one. It is putting pressure on the rules-based, multilateral order of the global economy, which was very strongly characterised by the "West" in normative terms. The global security architecture also depended on this order. Now the "global South" is gaining geopolitical significance against a noticeably weaker West. The EU has recognised this in principle, but with the concepts of "open strategic autonomy" and the "geopolitical EU" it has merely defined a shell that now needs to be filled. However, the collapse of the geopolitical order is hitting the EU hard due to a major lack of sovereignty, which is jeopardising Europe's security in particular.

- **The climate crisis and its consequences for prosperity and justice**
  The second once stable order concerns climate change and the associated energy supply. Protecting the climate and the consequences of climate change is a key factor in the EU's political action. The climate crisis is changing the basis for sustainable prosperity, while at the same time posing fundamental questions about individual freedom and global responsibility. There is another

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[2] See Vöpel (2024), Hoffnung ist keine Strategie, Makronom - Online-Magazin für Wirtschaftspolitik.

reason why climate-induced migration is becoming a problem for the EU: it is not getting to grips with the migration problem. With the "Green Deal", the EU has taken on a pioneering role in global climate protection. However, the onset of deindustrialisation in the EU raises questions as to whether the EU can maintain its course.

- **Digital technologies and their consequences for freedom and democracy**
  Artificial intelligence in particular is revolutionising the economy and society. Not only is industrial value creation being completely reorganised, with disruptive changes for companies and the labour market, communication is also changing and with it the demands on people's digital maturity. The leading development of artificial intelligence is becoming a decisive question of competitiveness and sovereignty for Europe. The EU has launched a programme with the "Digital Decade". At the same time, data protection and AI regulation are two key approaches that should lead to the so-called "Brussels effect", i.e. adoption by other countries. However, the EU is lagging far behind in terms of digitalisation and is in danger of losing its digital sovereignty - despite all the regulation.

1.3   The EU's limited capacity for a policy at the turn of the century

A turnaround requires a different form of politics to what would normally be sufficient to maintain continuity and steady development. This is because, as described above, the aim is to establish new, stable and secure orders. Sovereign political capacity to act must exist above all in a transition, i.e. during the process of the disintegration of old orders. It exists in the areas of geopolitics, security policy and industrial policy (see Figure 1).

Fig. 1:   The triangle of sovereignty
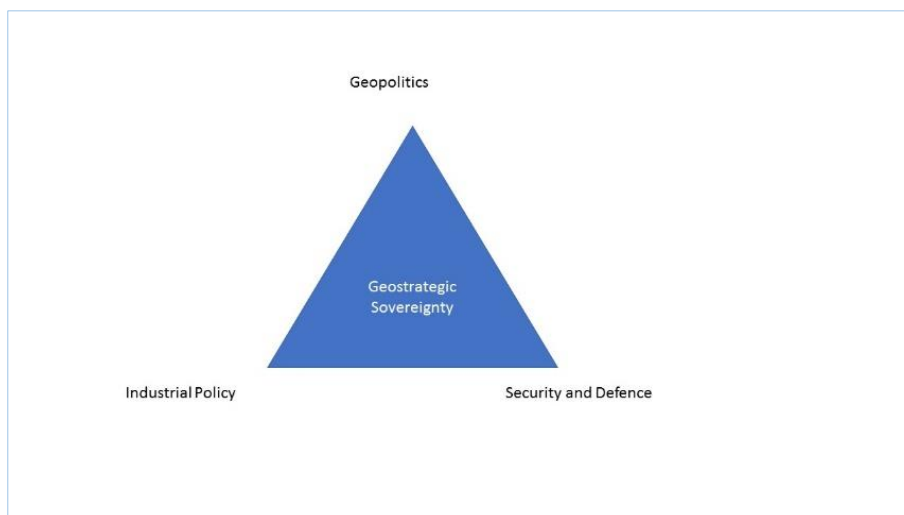
Source: own presentation

The USA has always considered all three dimensions of politics together, whereas the EU has never done so, not even individually, let alone in their interplay. If sovereignty is formed in the triangle of geopolitics, security policy and industrial policy, it becomes clear that, when it comes to the current geopolitical reorganisation and technological revolution, the EU has "bad cards" by design. This is because the EU is limited in its actions in all three policy areas, partly for good reasons, either because it lacks the European policy competence and the institutional prerequisites for making decisions (in the case of geopolitics and security policy, for example, the unanimity rule); or because the protection

of the European internal market stands in the way (in the case of industrial policy, state aid law and own resources). This brief consideration alone shows that the EU has its strategic deficit for a reason. It is simply not made for these times. So if it wants to defend and rebuild sovereignty and competitiveness, it must change its approach and develop more room for manoeuvre.

2   Why the structural strategy vacuum and power deficit threaten the EU's geopolitical sovereignty

2.1   New geoeconomics: power instead of rules

The most important order for the EU is disintegrating: the multilateral and rules-based global order. As a direct consequence of the disintegration of this order, the once established and accepted rules and institutions are dissolving and the world is entering a state of rule-less confrontation. The positive-sum game of trade policy, which is essentially a co-operative one, is replaced by a zero-sum game of power politics, the logic of which is non-co-operative. It is important to oppose the logic of a zero-sum game because, of course, in view of acute global developments, especially in the areas of climate change, migration and artificial intelligence, there is enormous potential for gains from cooperation. It is therefore first necessary to overcome the zero-sum logic of power politics in order to realise the gains from cooperation. These gains from cooperation are particularly high for Europe. However, the EU's strategic deficit makes it difficult to implement forms of cooperation. The game-theoretical situation therefore looks more like Figure 2. There are two Nash equilibria. Which of these is realised depends on whether sufficient trust and credibility can be built up for cooperative behaviour. [3]

Fig. 2 Cooperation versus confrontation
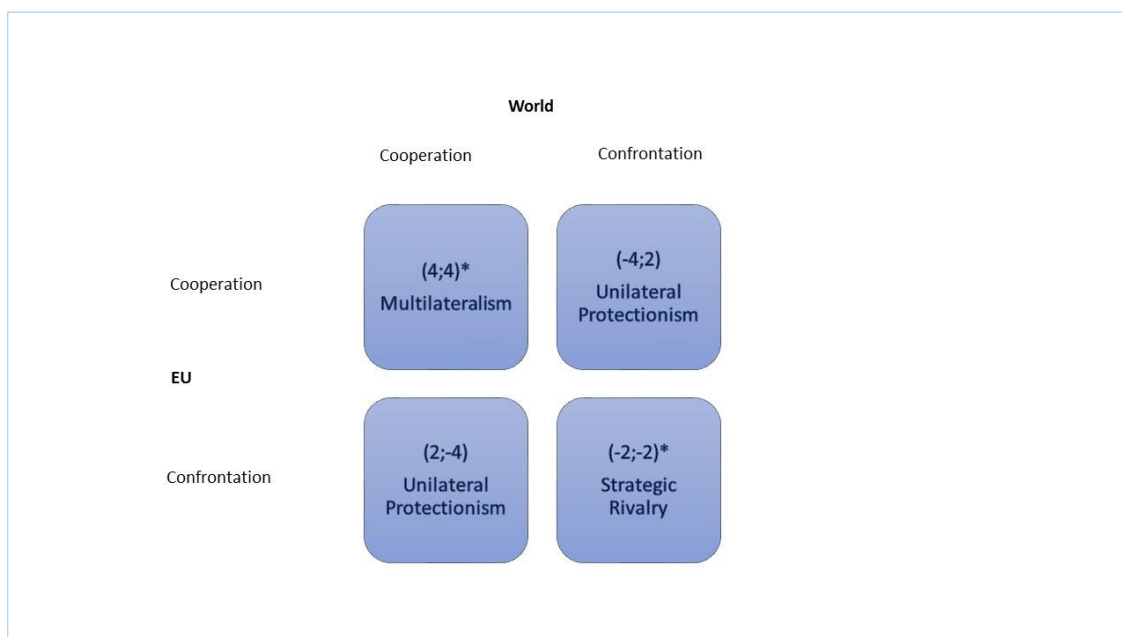
Source: own presentation

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[3]   See Vöpel (2023), Keine Industriepolitik ist auch keine Lösung, Makronom - Online-Magazin für Wirtschaftspolitik.

For the EU, the costs of confrontation are particularly high and the negotiating position for cooperative solutions is unfavourable due to the strategic deficit. When rules and institutions no longer exist, one-sided dependencies often arise, especially for critical raw materials and infrastructure, and bilateral solutions must then be negotiated. In times of confrontation and fragmentation, it is important to find strategic answers. These consist primarily of the following three concepts:

▷ Develop **insurance strategies for geo-economic dependencies in** order to become less dependent on supply risks along global supply chains,

▷ Strengthen **negotiating positions for geopolitical conflicts in** order to replace supranational rules and institutions that are losing influence,

▷ Create **options for action for geostrategic risks in** order to increase resilience to crises and shocks.

The lower the number of one-sided economic dependencies, the stronger one's own negotiating position and the greater one's own strategic options become, therefore making it easier to assert one's own values and interests. If this does not succeed, European values and interests could fall behind for years and decades to come. However, insurance strategies, negotiating positions and options for action can only be strengthened on the basis of power and influence. These in turn depend on the ability to defend oneself, develop technologies and create economic prosperity.

2.2 Strategic deficits of the EU

The EU currently has a specific profile of strengths and weaknesses and faces different opportunities and threats (see Figure 3). This SWOT profile (SWOT: Strengths, Weaknesses, Opportunities, Threats) is an expression and result of the EU's "old paradigm". It reflects the strong internal orientation and shows the geopolitical strategy deficit. At the same time, it has lost competitiveness and growth potential due to various reasons, such as demographic ageing, weak innovation activity and high levels of bureaucracy.

Fig. 3 SWOT strategy profile of the EU

Source: own presentation

The EU's SWOT profile paints a mixed picture. On the one hand, it has many strengths, above all the internal market, which are suitable for exploiting the opportunities that arise, for example strengthening the EU's resilience in times of fragmented globalisation. On the other hand, however, the EU also has structural weaknesses, such as a lack of defence capability and technological leadership, which cannot be overcome quickly, resulting in serious risks, especially in times of disruptive change. [4]

2.3   Regulatory power instead of regulatory world champion and paper tiger

Against the backdrop of a strongly self-focused development and a historically favourable geopolitical environment, the EU has accumulated a considerable strategic deficit, which has not only led to dwindling influence geopolitically but also to greater, often asymmetrical, dependencies geo-economically. In a time of geopolitical confrontation and geo-economic fragmentation, it is therefore necessary to restore its own sovereignty.

Rhetoric alone does not establish sovereignty, and regulation does not establish competitiveness. Only when it complements the ability to develop technologies and utilise them industrially can it have a normative effect, at best leading to the "Brussels effect" which enables the EU to set global standards and develop new global markets. If these capabilities are added to regulation, this would have a doubly positive effect: firstly, you can externalise your own standards and thereby internalise the costs of coordination and transactions. Secondly, if you have mastered the technology and its industrial utilisation, you can take a more offensive, i.e. more risk- and innovation-friendly, regulatory approach.

Sovereignty is essentially a national concept, as it encompasses sovereign areas that require legitimisation. This currently poses a serious structural problem for the EU in terms of its geopolitical strategic capability. The idea and purpose of the EU, however, is to seek compromise with one another in order to secure internal stability and peace. That was and remains important. But there is a connection between external threats and internal structures. If the internal constitution leads to a structural deficit in external strategic capability, there is a justified perception that the EU is not fast enough and is unable to act quickly enough in the face of external threats, which can ultimately lead to internal destabilisation. In other words: Measured against the new challenges and threats, the EU is dysfunctional in its processes and structures. Strategic capability is a combination of the ability to think in terms of long-term goals, and the means to implement them. By design, the EU lacks both. However, ultimately, if it does not develop sovereignty externally, it will not be able to defend democracy and freedom internally either.

3   Why only a paradigm shift in the EU can turn global challenges into European opportunities

The most important task for the EU is to recognise new global realities and develop effective policies for them. For many years, the EU's focus - embedded in a stable security order and rules-based, multilateral globalisation - was predominantly inward-looking. As a result, the EU is now struggling to come to terms with the turning point that is forcing it to make political and institutional adjustments and reforms. The idea of European integration is changing from a bureaucratic, inward-looking approach to a geostrategic, outward-looking approach. Consequently, many of the established and well-functioning institutions are increasingly proving to be dysfunctional under the changed conditions. Only a political paradigm shift can create European opportunities from the global challenges. [5]

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[4]   For a detailed presentation, see Reichert et al. (2023), Quo vadis, Europe, FERI & cep.
[5]   For a detailed discussion of the concept of sovereignty, see e.g. Major/von Ondarza (2022), Zeitenwende (auch) für die europäische Souveränität, Aus Politik und Zeitgeschichte.

3.1   Strategies for a world in disarray

The new geopolitical reality can be described as a triad of a multipolar world order, a fragmented global economy and uncoordinated international macropolitics (see Figure 4). Sovereignty therefore has three aspects, namely the geostrategic, the geoeconomic and the macro-political. This in turn gives rise to political fields of action for the targeted strengthening of European sovereignty, such as a security and defence union (multipolar world order), the capital markets union (uncoordinated macro policies) and a new trade policy (fragmented globalisation).

Fig. 4 The triangle of global disorder
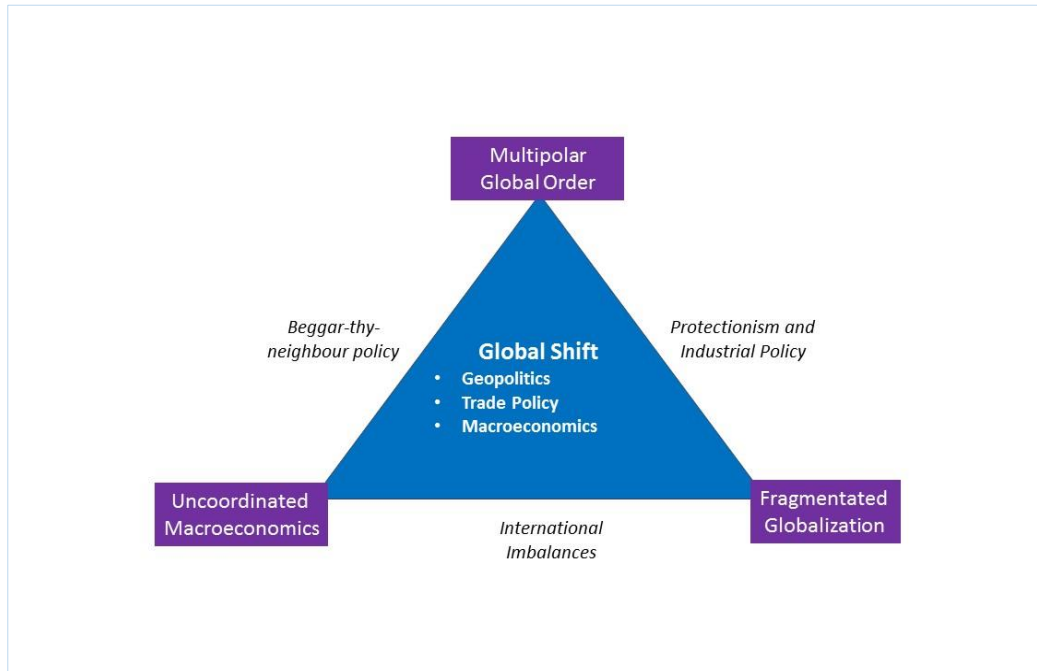
Source: own presentation

With the "Green Deal", "Digital Decade" and "Geopolitical Union" programmes, the EU has defined three strategic areas in recent years that correspond to the paradigm shifts outlined above. However, the Commission has chosen a highly regulatory approach to implementing these programmes. It was argued above that policy must respond to the major upheavals with adjustments at the regulatory level. The regulatory level can be divided into four political target categories: Sovereignty, competitiveness, resilience and security, and empowerment, which is an essential prerequisite for sovereignty, especially for liberal democracies and open societies (see Table 1).

Tab. 1: Strategy matrix for the EU

Regulatory policy / European policy	Souveränität	Wettbewerbs-fähigkeit	Resilienz & Sicherheit	Mündigkeit
Geopolitische EU	Sicherheit, Verteidigung…	Handelsabkommen, Kapitalmarkt…	Diversifizierung, Cyber Defence…	Medienvielfalt, Desinformation…
Digitale EU	Infrastruktur, Daten…	Innovation, Risikokapital…	Unterwasserkabel, Cloudservices…	Kompetenzen, Bürgerrechte…
Nachhaltige EU	Rohstoffe, Lieferketten…	Energie, Klimaclubs…	Kreislaufwirtschaft…	Verbraucherschutz…

Source: Own presentation

3.2   The EU's capacity to act needs new dimensions and qualities

The EU is not a state, but rather an institutionalised negotiation process between sovereign member states of a confederation of states. This restriction must always be borne in mind when using the words "the EU must". The necessity that a compromise must always be found through dialogue and negotiation is not only a mandatory requirement in the treaties but has also led to peace and unity. But how does this form of negotiation process relate to the shocks and crises that the EU is facing today, which have a new quality of their own? In particular, does it allow for the ability to act and the speed required to overcome the historical challenges or, conversely, must it use pressure to bring about a further - also historical - development of the EU?[6]

In view of the challenges outlined above, the EU's capacity to act needs new dimensions and, above all, new qualities. This ability to act relates to both the strategic level and the implementation level. The EU not only lacks geopolitical strategic capability but also institutional speed and conceptual design at the implementation level. The complexity of transformation processes cannot be answered with regulatory complexity. On the contrary, the more compartmentalised and detailed the regulation is, the more error-prone and innovation-hostile it becomes. Furthermore, such an approach suppresses the very strengths of Europe that should be brought to bear in systemic competition with the USA and China.

The EU will only be able to tap into the expanded scope for action and organisation if it reforms its institutions and at the same time strengthens the foundations of European ideas of order, with the aim of enabling the EU to make faster political decisions, be more innovative in business and more resilient in civil society by enabling people and companies to use Europe's diversity more creatively and make more responsible use of Europe's freedom.

3.3   The turnaround requires a change in policy and mentality

In order to be able to do all of this, it will be necessary to change the focus and find new policy and regulatory approaches. Conditions and transitions such as those we are currently experiencing are particularly challenging for politics because traditional recipes, established routines and institutionalised interpretations and patterns of action no longer work. Major and multiple upheavals give rise to complexity and uncertainty. Politics operates on the borderline between a present that no longer offers any stability and a future that does not yet offer any stability. It indicates that change goes much deeper and encompasses a longer time horizon than politics is typically able to address.

Furthermore, the political and regulatory approach is wrong for a world in transition. Regulation must be simple, robust and innovation-friendly, not complicated, error-prone and bureaucratic. This means that in the coming legislative period, the Commission

- must set political priorities instead of wanting everything at the same time, in order to avoid being overwhelmed,
- must create infrastructural prerequisites instead of prescribing ways to enable a self-dynamic transformation,
- must create entrepreneurial freedom instead of over-regulating in order to be able to develop new adaptation and solution options.

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[6]   For a detailed analysis, see Lübkemeier (2024), Die Vermessung europäischer Souveränität, Analyse und Agenda, SWP.

To achieve this, the EU must change its political philosophy and its regulatory approach, while at the same time adapting the treaty foundations where institutional reforms are required. Simultaneous enlargement and deepening, for example, are hardly possible under the current institutional conditions. The accession of additional member states to the EU, which makes geopolitical sense, must not jeopardise the equally necessary further development of European sovereignty. A change to the voting rules (unanimity vs. qualified majority), currently the subject of frequent discussions, is only suitable to a limited extent. With growing heterogeneity, "public goods" often become "club goods", the benefits and costs of which are assessed differently depending on the interests at stake. There is no such thing as "European" interests when it comes to very varied national interests, for example in the field of energy policy or agricultural policy. It is therefore necessary to compartmentalise the different national interests in order to be able to join forces at different levels. Stability and dynamism need not and must not be an institutional contradiction. On the contrary: only an EU that continues to develop in response to and through challenges can remain stable and attractive in the long term. A **"club within a club"** structure can offer the right arrangement for different national preferences and institutional speeds and thus make unity (enlargement) and dynamism (deepening) possible at the same time.

A second point concerns a **"European Charter of Fundamental Rights"** which already exists but has yet to take effect. It could create important identification, attractiveness and a framework of values that is an important normative, unifying factor for defending against attacks by populists from within and threats from autocracies from without. Such a charter can also be the basis for a republican European public sphere that enables common European discourse.

However, these two proposals require a lot of time and preparation. In view of the complex and immediate threat situation, the EU does not have this time. The next EU Commission must take major steps to strengthen European sovereignty in the 2024-2029 legislative period. The following overview lists and explains seven important points of an EU "future-proof" programme:

Top EU priorities for regaining European sovereignty
• Develop a **security and defence union.** In a world of fragmentation and confrontation, sovereignty consists of being able to protect one's own security and being capable of defence in a comprehensive sense, especially against the backdrop of hybrid warfare. The EU must create specific, previously non-existent competences, resources and infrastructures for a security and defence union. Due to specific security interests, security remains a national public good, but in parts it is also a European public good. Coordination and financing form the first institutional foundations for such a union.
• Developing the **European Single Market** into a geo-economic safe space. At a time of geopolitical fragmentation and supply risks, the single market is perhaps the EU's most important "asset", as it ensures the free internal exchange of goods, services and ideas as well as access to important resources, critical infrastructure and public goods. Externally, access to the single market is perhaps the most important argument in trade agreement negotiations. European industrial policy must therefore be designed according to its own "principles", i.e. horizontal promotion must be prioritised over a softening of state aid law.
• Perfecting the **Capital Markets Union.** Access to financing and the international capital markets is still an underdeveloped factor for the European economy in particular, but it is essential for

international competitiveness. Disruptive innovations and exponential technologies also require far more risk capital than is currently available in the EU. Such a capital market union also requires sound public finances and a stable currency.

- Regaining **technological leadership and infrastructure sovereignty**. Those who develop leading technologies have a threefold advantage: they are in a leading position in value chains, can set and enforce standards on global markets and choose a more innovation- and risk-friendly regulatory approach. With artificial intelligence in particular, the greatest risk is becoming technologically dependent. Providing new infrastructures is also key to accelerating the transformation, developing innovation and utilising cost benefits.

- Conclude new **strategic trade agreements**. Many global markets will shift due to protectionism, technology and regulation. The diversification of risks and the creation of new options will become a question of geo-economic autonomy and resilience. Autarky, on the other hand, is not only economically but also politically dangerous, as it provokes confrontation and prevents cooperation in a world in which welfare gains must be realised in the form of cooperation gains, e.g. in the areas of climate, migration and artificial intelligence. A key approach for such trade agreements is the diversification of supply risks for critical raw materials and the formation of new comprehensive partnerships.

- Further develop **strategic and decision-making capabilities**. The new geopolitical reality requires a capability from the EU that is not inherent in it, namely a geopolitical strategic and decision-making capability. The EU is currently limited in its ability to react and make decisions in the face of external threats and events. A reform of the EU treaties and its governance is necessary for a geopolitical paradigm shift. A "*club within a club*" mechanism can better translate different national preferences and the resulting heterogeneity into an enlargement and deepening of the EU, into stability and dynamism, into unity and diversity.

- Implementing a **programme for freedom and maturity**. The EU's greatest strength in the global competition between systems is its freedom of culture, science and the economy as well as the maturity of its citizens. In no other system can the free and responsible individual contribute more to a humane, innovative and responsible civil society. The EU's regulatory approach must promote these European strengths, not sacrifice them to systemic competition. A *charter of European fundamental rights* and a programme to reduce bureaucracy can strengthen identification with Europe and the innovative power of entrepreneurial freedom, especially in times marked by populist movements.

The EU is at a geopolitical turning point, which also represents a crisis of order for Europe. It has not yet been able to provide answers to the historical challenges, at least not to the extent required. In 2024, a year in which developments and events could once again come to a head, the EU has still not responded adequately to the dramatically changed world, despite many warnings. It must therefore make rapid changes to its political orientation and institutional organisation. Most notably, this includes prioritising measures that directly strengthen EU sovereignty, and choosing a regulatory regime that strengthens EU competitiveness through innovation, rather than weakening it through fragmentation. The new Commission will have major, probably historic, tasks to fulfil. A failure to accept them will have serious long-term negative consequences for peace, freedom and prosperity. Fateful years lie ahead for Europe.

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