

RE-SHAPING GLOBAL DEVELOPMENT: WILL EUROPE LEAD?

An Argument and a Call to Action

The Independent Vision
Group on European
Development Cooperation

May 2014



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Preface

This report expresses our shared vision of a Europe which is outward-looking and committed to global partnership and cooperation. We want to see European nations build on their leadership in tackling global poverty by creating new partnerships and cooperation with developing nations. The report is a call to action for political leaders and, importantly, for the citizens of Europe.

We are an informal group of different political persuasions drawn from different countries. We have written the report together because we see a risk that Europe's own problems and political divisions will turn us all inwards.

We think this would be damaging to others, to our proud tradition of solidarity and to our long-standing efforts to reduce poverty and suffering. Not for nothing is Europe the largest source of development and humanitarian assistance in the world.

Turning inwards can also damage our own futures. Many recent events have shown clearly that we who live in Europe can only prosper when the rest of the world is stable and growing in an inclusive and sustainable way. Global interdependence must be the watchword for international policy in the twenty first Century.

Our Call to Action develops this theme. We think there are new European opportunities to focus on shared challenges; to make a fresh start after 2015 and the conclusion of the Millennium Development Goals. The report highlights three priorities for development:

- Inclusive global action to generate jobs and livelihoods
- Sustainability programmes to counter environmental threats
- Coordinated policy on security in a world of new challenges and different dangers

We are optimistic about the future. We think European citizens, European countries and the European Union can all play their part. As Europeans we have a unique range of resources available to us. A new shared vision for development can reinvigorate the shared ideals and aspirations for which our international cooperation was established.

Baroness Margaret Jay
Chair

We see a risk that Europe's own problems and political divisions will turn us all inwards. Turning inwards can also damage our own futures.

Members of the Independent Vision Group

- Thijs Berman**
Netherlands Member of the European Parliament since 2004, belonging to the Group of the Progressive Alliance of Socialists and Democrats. Head of the Dutch Delegation of the S-D Group. He was the Rapporteur in the European Parliament, leading work on the Regulation covering the Development Cooperation Instrument for the period 2014-20.
- Bengt Braun**
Sweden Vice-chair, Bonnier AB. Former President & CEO of Bonnier AB and former Chair and now Senior Ambassador of World Association of Newspapers.
- Baroness Margaret Jay**
UK Former UK Cabinet Minister. Former Chair of the Overseas Development Institute. Founder Director of the National Aids Trust.
- Filip Kaczmarek**
Poland Member of the European Parliament since 2004, belonging to the European People's Party. Since 2009 he has been an EPP coordinator in the Development Committee and ACP-EU Joint Parliamentary Assembly. He was an EP rapporteur on the post-2015 development framework and represented the EP as a Head of the Delegation to UNGA's Special Event to follow up efforts made towards achieving the Millennium Development Goals.
- Louka Katseli**
Greece Professor of International Economics and Development at the Department of Economics of the National Kapodistrian University of Athens (1987-present). She has served as Greece's Minister of Labor and Social Security (2010–2011), Minister of Economy, Competitiveness and Shipping (2009–2010) and a member of the Hellenic Parliament (2007-2012). She has served as Director of the OECD Development Centre (2003-2007), member and vice-president of the UN Committee for Development Policy (1996–1999) and Director of the Centre for Planning and Economic Research (1983-1986). She has been elected President of a new party in Greece, "The Social Pact".

Simon Maxwell
UK

Former Director, Overseas Development Institute (1997-2009). Worked overseas for ten years, in Kenya, India and Bolivia, and for fifteen years at the Institute of Development Studies, University of Sussex. Member, World Economic Forum Global Agenda Council on Poverty and Sustainable Development. Former President of the Development Studies Association of the UK and Ireland.

Dirk Messner
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Former Member of the European Parliament (1994-2002). She was Minister of Foreign Affairs (2002-2004) and Senior Vice-President and General Counsel of the World Bank (2006 – 2008).

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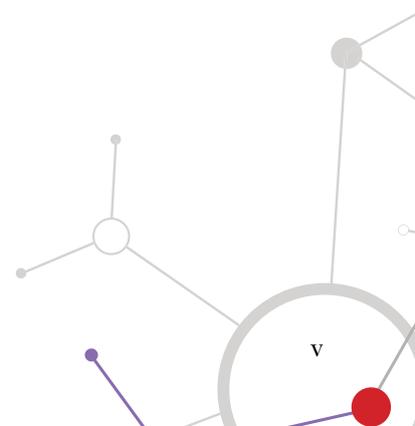
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1. Introduction

In this paper we make an argument about the global role of the European Union (EU), especially in its relations with the developing world. These are a source of strength for Europe and a major determinant of our own future welfare and resilience. The EU needs a new beginning which recognises the reality of mutual inter-dependence and the benefits of more effective and global collective action.

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Europe is making only a slow and tentative recovery from the financial crisis, and is fearful of external risks - economic, environmental and political. This is reflected in worries about migration, conflict and trade, all of which distort domestic policies in several countries. There is also concern that Europe will carry a large share of the responsibility for curbing carbon emissions.

However, a more positive attitude is justified. Just as developing countries can achieve sustainable development when the external environment is favourable,

so can countries in the EU. Growth in developing countries creates markets. Inclusive development promotes human security. The strengthening of institutions in developing countries increases the probability that the environment will be well-managed. A more cohesive and cooperative international community decreases the contagion of conflict, the spread of disease or the disruption caused by financial crises. Migration from developing countries, suitably managed, brings to Europe the benefit of skills, innovation and entrepreneurship.

This suggests a new approach to international development. The moment is right, as a new global framework is being designed for the period after 2015, a successor framework to the Millennium Development Goals.

Poverty reduction in the poorest countries remains the core priority. However, there are fewer such countries and they are more likely to be characterised by conflict or state fragility. There are only 36 countries on the World Bank's list of low income countries, and the number is falling steadily. At the same time, new priorities have emerged, like rising inequality, financial instability and climate change, which are cross-country in nature and affect rich and middle income as well as poor countries. The focus of development cooperation is beginning to shift - from targeted poverty programmes to addressing the global problems which affect us all.

We see three of these global problems confronting the world in the coming decades.

First, the challenge of building a world economy which creates livelihoods for all – an inclusive globalisation which allows people everywhere to fulfil their aspirations.

Second, the challenge of sustainability, dealing with climate change, but also protecting water supplies, air quality, oceans, forests and biodiversity.

Third, the challenge of security, in the broadest sense: whether tackling violence in all its forms, building defences against natural disasters, or protecting populations from financial, food or fuel shocks that undermine welfare and reverse progress.

These are priorities shared with emerging economies, which have become the motor of global growth, as well as significant players in global institutions. The growing importance of the G20 illustrates the change in global dynamics. The role of India, China and other large developing countries has been pivotal in the UN climate talks. At the same time, countries like China, India, Brazil, Turkey, and those in the Gulf have become important aid donors.

New partnerships must be central. For countries in Europe, joint action within the context of the European Union provides an opportunity – not

necessarily the only opportunity – to amplify influence and use it more effectively. But benign outcomes are not pre-determined. The EU can make positive contributions. It has taken initiatives across a range of policy areas, from trade to foreign policy, and its aid programmes score well in international comparisons. However, it will need to re-think and re-organise to make sure it is relevant for the future.

For countries in Europe, joint action within the context of the European Union provides an opportunity – not necessarily the only opportunity – to amplify influence and use it more effectively.

The time is right to re-think. In 2014, European citizens will elect a new European Parliament, and the Parliament in turn will approve a new leadership team, including the President of the European Commission and the High Representative for Foreign Affairs and Security Policy. In 2015, the world will be asked to agree global goals to succeed the Millennium Development Goals, and will face a make-or-break moment for the climate at the UN talks in Paris.

2. Europe's challenge

Six years into an unprecedented financial and economic crisis, Europe is at a critical juncture. The unity and solidarity of the EU has been weakened by recent crises. While trust in national governments has fallen by 11 percentage points since the beginning of the crisis in the autumn of 2008, the drop has been even more pronounced for European Union institutions. Only 31% of respondents say that they trust European institutions today, as opposed to 47% in 2008¹.

At the same time, xenophobia and Euroscepticism are on the rise throughout Europe. They are fed by a growing perception among people - 66% of respondents in the latest Euro-barometer opinion polls - that 'the citizen's voice does not count'². In Southern Europe, such attitudes are linked to worsening economic conditions, social polarization and political instability; in Northern

European members of the Eurozone, to perceptions that citizens are paying a high bill to bail out their profligate European Southern co-members, while they themselves have to cope with difficult economic conditions.

To address these challenges effectively, Europe needs to develop a coherent European strategy for stabilization and growth that is consistent with European citizens' aspirations as to what makes the European project worthwhile. Europe needs to regain the moral force of its democratic and social paradigm. It needs to develop a new shared vision of what constitutes 'the European Social Model', based on the core principles on which the European project was built: those of human and social rights, the importance of a social compact, equality of opportunity, and the supremacy of democratic principles. And it needs to express the vision abroad as well as at home.

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¹ Pew Research, May 2013 (<http://www.pewglobal.org/2013/05/13/the-new-sick-man-of-europe-the-european-union/>).

² Eurobarometer, December 2013 (http://ec.europa.eu/public_opinion/index_en.htm)

3. The changing face of international development

For a generation, international development has focused on the reduction of poverty in the poorest countries. This still needs to be the case. Today, more than a billion people still live in absolute poverty, on less than \$US 1.25 per day. Of all child deaths in the developing world, 45% can be attributed to malnutrition. And 300,000 women a year still die in childbirth.

Tackling these problems must remain central in new sustainable development goals for the period after 2015: tackling inequality, 'leaving no-one behind' and 'Getting to Zero' in terms of poverty.

At the same time, the traditional 'case-load' is beginning to decline. On World Bank data, the number of extremely poor people has fallen by 721m since 1980³.

A new class of requirements has appeared in development: climate change, financial stability, the global trading system, and peace and security.

Meanwhile, a new class of requirements has appeared in development, the need to tackle the under-provision of global public goods (GPGs). These include climate change, financial stability, the global trading system, and peace and security⁴.

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All these topics warrant global, regional and national collective action. Financing of these different needs will come from diverse sources and in diverse forms. Domestic finance will be the main source in all countries, especially if reform of tax collection enables revenues to be increased. The remaining gap will be filled by traditional and innovative financial instruments, including remittances, foreign direct investment, bond issues and aid from new as well as old sources.

³ <http://siteresources.worldbank.org/EXTPREMNET/Resources/EPI25.pdf>

⁴ International Task Force on Global Public Goods, 2006, 'Meeting Global Challenges: International Cooperation in the National Interest', Summary Report of the International Task Force on Global Public Goods (http://www.balticuniv.uu.se/index.php/component/docman/doc_download/40-summary-report-of-the-international-task-force-on-global-public-goods)

4. A new agenda: Europe's role

A new development agenda, with a greater focus on global public goods alongside poverty reduction and a larger and more diversified set of actors implies a greater need for cooperative action and multilateral solutions.

No other agent in the multilateral sphere has the range of resources available to the EU. This gives it a unique role.

No other agent in the multilateral sphere has the range of resources available to the EU. The World Bank and the other multilateral development banks have the financial resources, but not the voice on trade, nor the authority to speak on human rights, nor the role in foreign and security policy. The UN has the normative and political role, but not the capacity to disburse on the same scale or with the variety of instruments available to the EU. This gives the EU a unique role.

Multilateralism, however, is far from an easy project, in the EU as elsewhere. Seasoned observers have recently remarked that 'global politics is grid-locked'⁵ and that 'the enduring viscosity of international decision-making puts into question the efficiency of the international system'⁶.

From a development perspective, the causes of weakening multilateralism include the rise of emerging powers as well as a lack of trust, caused inter alia by the invasion of Iraq, failure to provide emerging markets with a stronger voice at the IMF-WB, failure of trade rounds to deliver tangible development gains, non-delivery of climate finance, and delayed action on tax evasion.

Europe can help to overcome these problems and brings many assets: shared values and approaches, long-standing partnerships with developing countries and regions, and significant resources for development. In addition, the structures established by the Lisbon Treaty offer possibilities, especially the creation of the post of High Representative for Foreign Affairs and Security Policy, leading the European External Action Service (EEAS).

In working internationally, it is important to remember that the European Union has varied competence, as per the figure below. Thus, it has exclusive competence in the area of trade, but not in development policy or foreign and security policy. Even in areas where the EU has no exclusive competence, the EU can and should assume a leadership role in forging alliances and promoting coherent and well-coordinated policy priorities.

⁵ Goldin, Ian, 2013, *Divided Nations: Why Global Governance is Failing, and What We Can Do About it*, Oxford University Press

⁶ Pascal Lamy, cited by Goldin (ibid)

Figure 1: EU competence in different policy fields

	Development Cooperation	Trade	Foreign Policy/ Security	Environment / Climate Change
Competence	Shared (EU policy alongside Member States' policies)	Exclusive for goods and most services	National but with Commission responsibilities	Shared

In the following paragraphs, we examine the priority areas for action. We do not set out to provide a comprehensive analysis. Common themes, however, are that Europe must act internally as well as externally, acting in a coherent way across instruments, and involving both the EU and the Member States.

(a) An inclusive globalisation

The first challenge is how to sustain an inclusive globalisation. This will require:

- Growth in developed and developing countries,
- Led by a responsible private sector, committed to high standards of social and environmental responsibility,
- Combined with sustainable investments in social services and social protection to reduce poverty,
- Underpinned by a favourable global economic environment,
- With resilience built in,
- And with the capacity to manage financial or natural resource shocks.

To achieve these objectives, macroeconomic adjustment across surplus and deficit countries needs to become more symmetrical. In the presence of open financial markets, coordination and timely action is needed to manage debt problems effectively and avoid speculative attacks on currencies and bond or stock

markets, to maintain an open and fair trade regime, to regulate tax heavens, to enforce transparency in banking practices, to apply internationally agreed rules of conduct for multinational enterprises, and avoid transfer pricing.

The health of the private sector will be a crucial ingredient, internally and externally. It will provide jobs and tax revenues. However, in the words of a recent UNIDO report, ‘jobs do not fall like manna from heaven’⁷. There will need to be attention to the promotion of investment and innovation, the availability of finance and training, and, importantly, the rule of law and the fight against corruption.

The health of the private sector will be a crucial ingredient, internally and externally. It will provide jobs, foreign exchange and tax revenues.

⁷ UNIDO, 2013 Industrial Development Report 2013, ‘Sustaining Employment Growth: The Role of Manufacturing and Structural Change’, Vienna

It will be necessary for all EU Member States to take action to enhance growth and reduce unemployment, most notably among the young. Better financial market regulation will be required. More resource transfers will be needed from richer to poorer members, especially within the Eurozone. Social provision will need to be reviewed in order to maintain a social protection floor.

In aid, added value is to be found in the potential political weight of the 28 Member States as a Union.

We single out three issues for special attention: aid, trade and migration.

In international aid, the priority will be better and more focused aid. A surprisingly smooth consensus between Council and European Parliament will allow the EU in the future to benefit more from its added value. Apart from the expected efficiency gains through coordination, this added value is to be found in the potential political weight of the 28 Member States as a Union. Rather than providing grants to construct roads and other infrastructure to which the Member States and other donors can devote their efforts, the EU will focus on more 'political' fields of cooperation, with the ambition to contribute to allowing every citizen to participate fully: human rights, democracy, Rule of Law,

equal opportunities, and inclusive and sustainable growth.

When it comes to trade, the EU both contributes to and benefits from trade-based growth in developing countries. Low Income Countries alone constitute a market worth €20bn a year to the EU. When they grow, the EU also benefits: in fact, aid to developing countries more than pays for itself in this way. To maximise the mutual benefit, the EU will need to maintain its position as an open market for developing countries, including duty-free and quota-free access for Least Developed Countries under the Everything But Arms provision. Equitable arrangements will need to be made as Fair Trade Agreements and Economic Partnership Agreements are further developed – and it will be important to ensure that the interests of developing countries are not side-lined as the EU progresses major regional agreements, such as the proposed Transatlantic Trade and Investment Partnership (TTIP). Such agreements can have the effect of raising global standards across the board.

Businesses will be the agents of growing trade: the EU must take steps to encourage high standards of corporate responsibility, promoting fair trade practices and transparency with regard to taxation.

As to migration, its benefits to developing countries are widely recognised: in 2012, to cite just one statistic, remittances to developing countries amounted to \$US 401 bn⁸. There are also benefits

⁸ <http://www.worldbank.org/en/news/press-release/2013/04/19/world-bank-launches-initiative-on-migration-releases-new-projections-on-remittance-flows>

to recipient countries, in terms of skills, innovation and often investment. Diaspora communities play an important part in creating networks between sending and receiving countries. However, there are sometimes felt to be negative effects, for example on the wages of unskilled labour. The EU needs to adopt a global approach so as to manage more effectively a global mobility system which is becoming increasingly more complex as European population is ageing, skill requirements change with productive relocations, and technological innovation and illegal flows continue to rise. Mobility partnerships need to be concluded, visas and permits need to become more flexible to allow for short term mobility, and integration policies need constantly to be reviewed.

The EU needs to adopt a global approach so as to manage more effectively a global mobility system which is becoming increasingly more complex.

Tackling these issues, not an exhaustive list, would transform the European Union into the pro-active actor we want it to be: a strong defender of a sustainable future, with equal chances in a world order based on universal rights of people, respectful of nature and the environment.

(b) Sustainability

Sustainability is an essential building block of future policy – and will be central to the post-2015 framework.

Climate change is especially important. At the Copenhagen climate talks in 2009, the world agreed to limit global warming to 2°C. But recent reports show that carbon emissions are still increasing. The Inter-Governmental Panel on Climate Change has issued urgent warnings about the speed and impact of global warming⁹. Crop yields will fall and growth rates will be affected. Extreme weather linked to climate change will cause more disasters. Up to 325 million extremely poor people will be living in the 49 most hazard-prone countries in 2030, the majority in South Asia and sub-Saharan Africa¹⁰.

More generally, the Stockholm Resilience Institute has identified nine planetary boundaries that the world is in danger of transgressing¹¹. Biodiversity loss and the nitrogen cycle are most at risk, though others are not far behind. If planetary boundaries are transgressed, then all will be affected. Climate change, for example, will affect rich countries as much as poor ones. For that reason, green transformation in Europe itself is essential, and a major contribution to the multilateral bargain that will be needed to preserve the planet.

⁹ <http://www.ipcc.ch/>

¹⁰ See <http://www.odi.org.uk/publications/7491-geography-poverty-disasters-climate-change-2030>

¹¹ See the work of the Stockholm Resilience Centre, at <http://www.stockholmresilience.org/21/research/research-programmes/planetary-boundaries.html>

Green transformation in Europe itself is essential, and a major contribution to the multilateral bargain that will be needed to preserve the planet.

With regard to water and energy, the EU should take the initiative for a fair distribution (and recycling) of resources, and should not allow the world to succumb to an ever more dangerous competition between the strongest, of which the weakest will inevitably be the main victims, leaving an exhausted conflict-ridden world to future generations. Increasing resilience, the capacity of countries and regions to react to opportunities and challenges, is also essential, in order to avoid some of the consequences of disasters and to increase future possibilities for younger generations seeking livelihoods.

The European Report on Development of 2012 looked specifically at sustainability¹². It concluded that action was required on four pillars:

- Influencing demand patterns to reflect scarcity (e.g. sustainable consumption and production by cutting waste and changing lifestyles);
- Improving the quantity and quality of supply (e.g. partnerships on renewable energy, soils, water storage through

appropriate finance, regulation and knowledge sharing);

- Increasing efficiency (e.g. technology transfer, national innovation systems); and
- Increasing resilience against shocks and benefits for the poorest (e.g. benefit-sharing, social protection, Corporate Social Responsibility, inclusive land policy)

There is no scorecard on how Europe has performed against these criteria. However, and to take one example, the EU has been at the forefront of global commitments on climate. Independent evaluation has shown that the EU has been progressive at climate change talks¹³. On the other hand, reform of the biofuel mandate, which may harm developing countries, has not yet happened¹⁴. It is also notable that climate finance has not been formally renewed since the end of the fast start period.

(c) Security

The need to stand for democracy and the respect of human rights for the sake of long term stability and of the intrinsic value of these objectives themselves, is now widely accepted after the Arab Spring. And yet, it has still not been sufficiently incorporated in EU foreign policies. It would need a strong coalition with other major actors on the world stage, in particular with the US and emerging economies such as Brazil, to alter this step by step.

¹² European Report on Development 2012: 'Confronting Scarcity: Managing Water, Energy and Land for inclusive and sustainable growth' http://ec.europa.eu/europeaid/what/development-policies/research-development/erd-2011-2012_en.htm

¹³ Van Schaik, L, 2012, 'The EU and the progressive alliance negotiating in Durban: saving the climate?', ODI and CDKN (<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7845.pdf>)

¹⁴ <http://www.europeanvoice.com/article/2013/october/biofuel-reform-delayed-indefinitely/78485.aspx>

Respect for human rights leads to long term stability. Inversely, the denial of universal rights by small power circles eventually leads to the collapse of governments and economies. Strengthening democracy and its institutions starting at a grassroots level is even more urgent in a rapidly urbanising world, where people can no longer rely on the variety of more traditional forms of participatory decision-making schemes still in use in many rural areas. Likewise, in Europe we have to address the needs of vulnerable minorities better - take the Roma population as an example.

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The political dimensions of development are especially evident in fragile states. At present, too much depends on the resolve of the rare member states willing to engage themselves in peace operations with uncertain time frames and outcomes. A more coordinated approach is needed. Looking ahead, however, the EU will need to recognise that there will be no simple black-and-white dichotomy separating fragile from non-fragile states. It will need to explore a diverse range of aid instruments tailored to delivering support on a flexible basis.

Security issues do loom large in European policy-making – as recent crises in Syria, the Sahel, South Sudan, the Central African Republic, and Ukraine, all demonstrate. National interests are often dominant, but the Treaty on European Union gives the EU competence to define and implement a common foreign and security policy, including the progressive framing of a common defence policy. There have, for example, been more than 30 civilian crisis management missions in rule of law, security sector reform, border assistance or post-conflict monitoring –in locations ranging from Kosovo to Aceh in Indonesia.

More generally, the recent annual publication from the European Council on Foreign Relations¹⁵ looks at European performance with respect to pivotal regional actors such as Iran, Russia and Turkey and at the projection of external powers in the regions surrounding Europe. It is not (yet) very encouraging (Figure 2).

As power balances shift and the demand for change meets new obstacles in the extended neighbourhood, the EU and its member states should jointly advance reform and prosperity where possible, and counter threats where necessary, in partnership with others. In a more fragmented and competitive neighbourhood, they will need to reconcile strategic vision and policy flexibility in 2014 and beyond.

A recurrent theme is not just working better within the EU Institutions, but also as between the EU and the Member States.

¹⁵ <http://www.ecfr.eu/scorecard/2014>

Figure 2: Score Card of EU Foreign Policy

CHINA		RUSSIA		UNITED STATES	
B-	Performance in relations with China improved after a successful EU-China summit and promising co-operation on Syria, Mali and the Iranian nuclear problem. But the solar panel case showed member states were willing to undermine the European Commission on economic issues.	C+	Performance in relations with Russia worsened as Europeans struggled to respond to increasing pressure on Eastern Neighbourhood states. European resolve on energy issues did not lead to successful diversification of energy.	B-	2013 was a year of breakthroughs in the transatlantic relationship, with the launch of TTIP negotiations and co-operation on an Iran nuclear deal. But a failure to work together on the Syria crisis and the fallout of the Snowden revelations cancelled out the positive developments in overall performance.
WIDER EUROPE		MIDDLE EAST & NORTH AFRICA		MULTILATERAL ISSUES	
B-	Performance improved this year as Croatia joined the EU and High Representative Ashton facilitated a historic agreement between Kosovo and Serbia. Relations with Turkey were also mildly encouraging, but setbacks in negotiations with Ukraine and Armenia showed that Europe needs to find a way to respond to Russian pressure.	B-	Except for involvement of the E3+3 in successful nuclear negotiations with Iran, European performance in the southern Mediterranean was disappointing again. The irrelevance of the ENP to major developments in the region became clear, especially in Syria and Egypt.	B-	Fast-moving crises and complex multilateral negotiations tested Europeans in 2013. France intervened in Mali and CAR but only got limited support from other member states. Diplomatic efforts on Syria and climate issues were disappointing and there were new challenges in crisis management.

Source: ECFR¹⁶

¹⁶ <http://www.ecfr.eu/scorecard/2014>

5. Conclusion

As Europe begins to recover from the global financial crisis, slowly, unevenly and often inequitably, we see clearly that our well-being is more and more shaped by changes in the rest of the world. This could make us fearful and inward-looking – or determined to look outwards, building new partnerships and new global ways of working. Is that a choice? We think not. Europe's history and culture lead it to be global in its outlook, motivated by altruism as well as by self-interest. As Europeans, we are inevitably members of a global community.

Europe also brings many strengths to the work of building the future. Our economic success over many generations. Our commitment to democracy, human rights, the right to free expression, and the rule of law. Our social safety nets and commitment to social inclusion. Our tolerance and diversity. Europe is a leader in international development and in global institutions. We need to regain the moral force of our democratic and social paradigm.

Facing outwards to the world, we see three big challenges which will determine all our futures, and which European values and resources can help to solve:

- First, the challenge of building a world economy which creates livelihoods for all – an inclusive globalisation which allows people everywhere to fulfil their aspirations, providing opportunities for poor countries to eliminate absolute poverty in all its dimensions, and fulfil the right to education, jobs, health and livelihood, for all women, men and children.
- Second, the challenge of sustainability, dealing with climate change, but also protecting water supplies, air quality, oceans, forests and biodiversity, in a planet increasingly threatening to overstep the planetary boundaries.
- Third, the challenge of security, whether tackling violence in all its forms, building defences against natural disasters, or protecting everyone from financial, food or fuel shocks that undermine welfare and reverse progress – for households as well as for nations.

The time is right for the EU to face up to these challenges. In 2014, the European Union will elect a new parliament and appoint a new set of leaders. Together, they have a responsibility and an opportunity to renew Europe's commitment to global citizenship and partnership.

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