

CHAPTER 2: Critique of EU's strategic planning and alternative futures

The EU anticipates and plans the future in various ways. For example, the EU budget follows a multi-year planning process and the next Multiannual Financial Framework (MFF) covers the years 2028-2034. The purpose of the Draghi Report¹, published in the summer of 2024, is to provide a strategic roadmap for this period. The Draghi Report is just one example of the strategic planning efforts in the EU,² but in 2024 it has played a central role in discussions over the future of the EU. This chapter critically examines the EU's strategic planning and the idea of enhancing competitiveness by aligning with US economic models. The Draghi report in particular promotes supply-side economic policies while failing to address systemic vulnerabilities and inequalities, and overlooking alternative fiscal approaches. The notion of 'open strategic autonomy' is also questioned, as the report does not adequately consider the broader geopolitical consequences of EU strategies. Furthermore, the EU's increasing militarisation and securitisation raise concerns about a shift toward a more disciplinary Union. This chapter also explores alternative scenarios for the EU's future, including potential disintegration, increased federalisation and euro-nationalism, spontaneous transformative global engagement, and crisis-driven reform. Ultimately, without substantial changes in governance and economic policies, the EU risks reinforcing existing contradictions rather than fostering sustainable and equitable developments.

2.1. The Draghi Report 2024: Problematic comparisons and ambiguous aspirations

The Draghi Report exemplifies the EU's current predicament, caught between its welfare state legacy and its aspiration to adopt a more US-like economic model: 'While the EU should aim to move closer to the US example in terms of productivity growth and

¹ Draghi, M. (2024, September). *The future of European competitiveness*. https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en#paragraph_47059. [from now on: *A competitiveness strategy for Europe/In depth-analysis and recommendations*]

² The Commission stresses the importance of strategic foresight, which 'is the discipline of exploring and anticipating future possible developments to shape the preferable future'. The aim is to help 'the EU to prepare for and anticipate future shocks and opportunities, and shape the future we want'. Annual Strategic Foresight Reports since 2020 are available at https://commission.europa.eu/strategy-and-policy/strategic-foresight_en. Another example is the Autumn 2024 report entitled 'Strengthening Europe's civil and military preparedness and readiness: Report by Special Adviser Niinistö'. https://commission.europa.eu/topics/defence/safer-together-path-towards-fully-prepared-union_en.

innovation, it should do so without the drawbacks of the US social model³. The focus of the report is on the comparison with the US. The objective is to close the innovation gap and target productivity growth, based on the model provided by the US. Such a comparison is problematic. On the one side, the report admits that, in terms of per capita PPP, the divergence between the EU and the US is limited (in 20 years, the difference has increased only by 3%). On the other side, the report avoids considering the intrinsic biases in GDP measures that favour the US (where the public sector is less involved in value creation) or the likely effects of competitiveness policies on already high inequalities that are much higher in the US than in the EU. Moreover, US competitiveness relies mostly on its largest firms. At the moment, these are represented especially by the so-called Big Tech firms that have both a direct and an indirect effect on the US competitiveness. While some Big Tech firms make significant R&D investments that can further technological advancements,⁴ there is substantial evidence suggesting that they engage in value-extraction practices that do not generate new value.⁵

In addition to not mentioning the role of mere value extraction, the Draghi report is also somewhat ambiguous about the qualitative and quantitative aspects of competitiveness. The ambiguity is exhibited in sentences like: ‘Competitiveness today is less about relative labour costs and more about knowledge and skills embodied in the labour force’⁶. That sentence seems better as a normative aim than as a description of the current situation, as employers continue to stress the importance of low wage costs and labour market flexibility. Moreover, throughout the report, changes in the wider context and their consequences (such as growing reliance on expensive energy imported from the US or increasing military spending benefitting the US military-industrial complex and thereby the US economy) are taken as given. Perhaps most importantly, there is no awareness of the role of the EU/West in generating tendencies

³ *A competitiveness strategy for Europe*, pp. 15.

⁴ For a popular account representing the industry's self-image, see for example Atkinson, R. (2022, September). How the IT Sector Powers the US Economy, *ITIF (The Information Technology and Innovation Foundation)*. <https://itif.org/publications/2022/09/19/how-the-it-sector-powers-the-us-economy/>

⁵ There are multiple ways in which value extraction can occur, for example through ‘unequal exchange’ in value chains or the so-called platform economy – dominated by companies like Uber, Amazon, Airbnb, and Facebook – which often do not produce anything themselves but act as monopolistic intermediaries that charge high commissions or fees while shifting risks onto workers (e.g., Uber drivers, Deliveroo couriers), who are often classified as independent contractors rather than employees. See for example Cutolo, D. & Kenney, M. (2021). ‘Platform-dependent entrepreneurs: Power asymmetries, risks, and strategies in the platform economy. *Academy of management perspectives*, 35(4), pp. 584-605; Mitchell, S., Knox, R. & Freed, Z. (2020). Amazon’s monopoly tollbooth. *Institute for Local Self-Reliance*. <https://ilsr.org/wp-content/uploads/2021/11/ILSR-AmazonTollRoad-Final.pdf>

⁶ *A competitiveness strategy for Europe*, pp. 5.

toward the rise of authoritarianism, securitisation of issues and weaponization of interdependence.⁷

The ambiguity of what is old and what is new manifests itself at various levels. The Draghi Report correctly recognizes several relevant EU problems while providing the same ‘supply side economics’ answers that have been tried for decades with little if any genuine success.⁸ The report focuses on improving business conditions and ignores other crucial factors driving productivity, such as working conditions and wages. Past initiatives include the REFIT programme, ‘better regulation’, and the Regulatory Scrutiny Board. The report concludes, unpersuasively, that such efforts should be intensified.

The report emphasises long-term objectives and criticises short-termism but it lacks visions about better futures. Instead of developing the underpinnings of EU-wide fiscal policy – the embryo of which exists in the current MFF in the form of NGEU – the focus of strategic action is on continuing the development of financialisation. The report for instance suggests, from a perspective that promotes further financialisation, using public money collected for social reasons (e.g., pension funds) to boost private sector and industrial competitiveness. The perspective supporting financialisation is evident in the way the United States and Britain are used as a point of comparison:

EU capital markets are also undersupplied with long-term capital relative to other major economies, owing largely to the underdevelopment of pension funds. In 2022, the level of pension assets in the EU was only 32% of GDP while in the US total assets amounted to 142% of GDP and in the UK to 100%.⁹

⁷ Actors can bring about securitisation by presenting something as an existential threat and by dramatising an issue as having absolute or very strong priority, and this can justify exceptional – typically non-democratic military – measures. Weaponised interdependence in turn refers to a situation where states with political authority over central economic nodes “can weaponize networks to gather information or choke off economic and information flows, discover and exploit vulnerabilities, compel policy change, and deter unwanted actions” (Farrell, H. & Newman, A. (2019) “Weaponized interdependence: how global economic networks shape state coercion”, *International Security*, 44(1), p. 45). It is revealing how the first Trump administration quickly adopted the ideas of Farrell and Newman’s 2019 article as a “good playbook to implement” (Farrell, H. and Newman, A. (2023) *Underground Empire. How America Weaponized the World Economy*. London: Allen Lane, pp.101-102). In early 2025, the second Trump administration seems keen on intensifying such efforts.

⁸ Raza, W., Ertl, M. & Soder, M. (2024, September). Draghi on ‘competitiveness’: new wine in an old bottle’. *Social Europe* 27. <https://www.socialeurope.eu/draghi-on-competitiveness-new-wine-in-an-old-bottle>.

⁹ *A competitiveness strategy for Europe*, pp. 60.

One of the key concepts in EU's strategic planning is 'open strategic autonomy'.¹⁰ A key justification for increasing investment in the EU (but without a European fiscal policy) lies in the aim of reducing dependence on trade in energy and strategic minerals as well as securing critical supply chains. There are good reasons to suspect that the means presented do not correspond in any way to the scale of proposed changes as is already being made abundantly clear, for instance, by the invocation of the General Escape Clause in 'Readiness 2030' (see chapter 1). What is more important, however, is that the report does not fully account for the broader collective consequences of the mutual decoupling process in the world economy¹¹ (for some of the Eurocentric dimensions of this, see chapter 4). The EU tends not to see its role in global processes except uncritically as some kind of a force of good in the world.¹²

2.2. The three basic issues in context: a critical analysis

The Draghi Report focuses on enhancing the EU's competitiveness by addressing issues such as innovation, security, and green transition. In this section, we summarise the context and likely impacts of each of these, to develop scenarios about possible and likely European and global futures.

(A) The current EU strategy is to tighten the Union under the rubric of innovation and enhancing its external competitiveness. The EU is looking for a shift to a more 'qualitative' competitiveness, to be achieved by employing structural reforms. However, no mention is made of possible changes in the EU political structure: the prevailing EU institutions and policies are left intact, including the tightened fiscal governance

¹⁰ This is mentioned also in the Draghi Report, but is especially central to the 2023 Strategic Foresight Report: European Commission (2023, July). *Strategic Foresight Report*. https://commission.europa.eu/strategy-and-policy/strategic-foresight/2023-strategic-foresight-report_en.

¹¹ *A competitiveness strategy for Europe*, pp. 54. Here decoupling refers to the process of reducing economic interdependence between countries, particularly in global trade and supply chains. The passage suggests that while decoupling is already happening between the US and China, a rapid and complete separation of trade relationships is unlikely in the near future, especially for the EU. Instead of fully disengaging (such as reshoring, nearshoring or friendshoring production), companies are opting to diversify their suppliers. The report also highlights that China and the EU have mutual economic interests that discourage a drastic break, though geopolitical tensions and dependencies could still be leveraged as a form of coercion, increasing uncertainty and negatively impacting business investment.

¹² The popularity of the concept of 'normative power Europe', launched by Ian Manners, is explained by the fact that it articulates the ideological self-understanding prevailing in the EU. For criticisms, see e.g. Diez, T. (2005). Constructing the Self and Changing Others: Problematising the Concept of 'Normative Power Europe'. *Millennium: Journal of International Studies*, 33 (3), pp. 613-636; and Patomäki, H. (2018). *Disintegrative Tendencies in Global Political Economy*. Routledge, chapter 3.

framework. Therefore, there is no proposed change to the size of the EU budget, indicating the continued absence of European-scale fiscal policy. Despite recent improvements in CEE countries (both in terms of convergence within the EU and egalitarian developments within these countries, see Chapter 1), this is likely to reinforce tendencies toward rising inequalities in the greater part of the EU. It is noteworthy, that in the Draghi report, there is no discussion about possible countermeasures to inequalities. Even worse, instead of strengthening democratic legitimacy, it is argued that the EU needs quicker and more 'efficient' decision-making. This is likely to mean centralisation and hierarchisation of power, while otherwise many of the current tendencies, vulnerabilities, and contradictions are left intact.

(B) The now articulated softer version of neoliberalism and striving for competitiveness through supply-side economics is modified and qualified by an increasingly militarized and some ways also more disciplinary Union. Common external enemies can unify and there appear to be many actual and potential enemies. Apart from the possibility of further rounds of escalation of the conflict with Russia, there is a constant 'state of emergency' related to migration and refugees as well as concern about possible terrorist attacks (perhaps by the migrant sufferers of class inequalities). Relevant developments include also the increasingly strained relations with Turkey, economic competition with China and India, securitisation of dependency on China, and the consequences of the unpredictable policies of the 'America-first' Donald Trump. All these can be used to justify '(open) strategic autonomy'. 'Readiness 2030' can be seen as an initiative consistent with this tendency.

Meanwhile, among the EU citizenry, several features of the prevailing context tend to generate existential insecurities creating a fertile ground for securitisation of issues, weaponisation of interdependence, and enemy-construction. These include unemployment or its threat, precarisation of work (meaning transformation from permanent employment to less well-paid and more insecure jobs) and falling behind due to high and possibly rising inequalities. Insecurities can be exploited to further a common European cause. The identification of threats to 'our European' existence can create unity and acceptance, or at least acquiescence, to the disciplinary rule of the EU. Indeed, from a cosmopolitan perspective, one of the ambiguities of the Union has always been the possibility that it generates a nationalism of its own and evolves into a military great power. In principle, military spending can be used to boost the economy, although, without a larger budget and proper fiscal policy, any military-Keynesian effects are dependent on the combined budgetary changes within member states. Moreover, it remains to be seen what the net result of less butter and more guns is.

Globally, this orientation means a shift toward securitisation and weaponisation of interdependencies. The era of unconditional free trade is over. The concept of ‘open strategic autonomy’ emerges as the key term with no clear definition (it can be taken to mean anything from free trade to full-scale protectionism and from multilateral orientation to unilateralism). An emerging aim is to build a European military-industrial complex.¹³ This is often linked with attempts to reinforce the formation of EU-based capital, facilitated by public re-regulation and funds. Already some decisions have been taken in this direction (e.g. the recent Leonardo-Rheinmetall joint venture signed in October 2024) and we expect more cases of merging of large national firms to form genuinely EU-based capital (or EU ‘champions’). This strategy involves the support of large firms in heavy industries, where the EU still has some competitive advantages – especially in terms of countering tendencies toward deindustrialisation. Weapons production is a whole issue in itself. Currently, the EU imports a large part of its new weaponry from the US and is also subjugated to the US ‘digital-military complex’¹⁴. Competitiveness and autonomy are understood also in military terms.

(C) A key feature is ecological sustainability and the drive toward a Green transition. In the EU strategy, there is a genuine concern for sustainability, particularly in terms of climate change and extinction crisis. However, the basic aspiration is expressed in terms of ‘green growth’, and the central aim is to raise growth rates through increased productivity. Moreover, ecological interdependencies and the process of green transition generate interdependencies, that can be securitised or weaponised. Therefore, the aim of sustainability can also be read, at least in part, in light of both (A) and (B) above. In other words, sustainability involves the strengthening of competitiveness and strategic autonomy. Moreover, the idea of a green transition relies on a belief in the capacity of technology to make the economy green and sustainable. It tends to idealise how ‘fossil-free’ or otherwise clean many of the new technologies are.¹⁵

¹³ In their own terms, the aim is to ‘incentivise, facilitate and simplify cooperation and consolidation in the EU’s defence sector’ and to ensure adequate funding ‘for building credible defence preparedness and readiness for the EU and its Member States’. Niinistö, S. (2024, April). *Strengthening Europe’s civil and military preparedness and readiness*. https://commission.europa.eu/topics/defence/safer-together-path-towards-fully-prepared-union_en, pp. 122. [from now on: Niinistö report]

¹⁴ For details on this point, see Coveri, A., Cozza, C., & Guarascio, D. (2024). Blurring boundaries: an analysis of the digital platforms-military nexus. *Review of Political Economy*, online first, pp. 1–32. DOI: <https://doi.org/10.1080/09538259.2024.2395832>.

¹⁵ Mounting empirical-historical studies question the feasibility of decoupling human impacts from economic activity through green growth strategies. See e.g. Parrique, T., Barth, J., Briens, F., Kuokkanen, A., & Spangenberg, J. H. (2019). Evidence and arguments against green growth as a sole strategy for sustainability. *European Environmental Bureau*, eeb.org/decoupling-debunked; Haberl, H. et.al. (2020). A

2.3. The dynamics of global political economy and security in the early 21st century

The EU is part of a much larger whole, constituting roughly 6% of the world population and 12 per cent of the world economic output (in GDP PPP terms). Global political economy and security form a complex, dynamic mega-process, in which states and other actors such as the EU are tightly interwoven and in which a large variety of issues arise. In open systems, different tendencies, including conscious attempts to resolve problems, may counteract each other and different processes may overlap, intersect, obstruct each other, or clash. For this reason alone, many purposeful activities turn out to be counterproductive. The impact of EU action must be assessed according to how it contributes to shaping these broader processes and what kinds of consequences its actions may have, given that it cannot control these wider processes.

The world economy as a whole tends to exhibit uneven growth, economic imbalances, and financial instabilities and trigger contradictory responses to these tendencies. Many institutional mechanisms have been proposed to smooth, level out, and stabilise the dynamics of the global economy. In the 20th century, a few ideas for such mechanisms were implemented, most importantly the Bretton Woods institutions. Many others have not been realised so far, including the systematic regulation of offshore financial centres or the creation of global taxes, world fiscal policy, or global clearing union (involving world central bank and currency). The absence of adequate common institutions and the apparent unreformability of the world monetary and trading system is arguably in a significant part responsible for the current world political situation, which is characterised by trade wars, securitisation of supply chains, weaponisation of interdependence, alliance formation, and an arms race.

The world economy operates through a system of separate sovereign states and their alliances; these states did not fully stop worrying about their security after the end of the Cold War. The economic development of countries has direct effects on their positioning in the world system. For example, the shock therapy adopted by and imposed on Russia and several countries of the former Soviet Union and the Soviet bloc led to a socio-economic collapse, rapidly rising inequalities, instability, and existential insecurity (see section 4.1. of EuroMemorandum 2023). These heightened the post-Soviet identity crisis and led to the desire for a strong leader. China avoided shock therapy and through experimental and gradual marketisation and participation in

systematic review of the evidence on decoupling of GDP, resource use and GHG emissions, part I: Bibliometric and conceptual mapping. *Environmental Research Letters*, 15(6), 063002.

neoliberal globalisation, achieved rapid growth for decades (the rates of growth have declined but remain above the levels of the Western world).¹⁶ From a security perspective, changes in productive capacities or financial positions are perceived in terms of relative state power. This risks turning economic imbalances into antagonisms such as trade wars, which also reflect domestic inequalities and power and class relations.¹⁷

Geopolitics becomes salient again when states start to securitise and territorialise issues involving competition over increasingly scarce resources and carbon and other sinks. In the post-Cold War era, this started to happen already at the beginning of the 2000s. A neo-conservative turn in world history occurred when George W. Bush took office in January 2001, followed by 9-11 and the global war on terror, including the US-UK invasions of Afghanistan and Iraq.¹⁸ Also, the rise of Vladimir Putin and the military phase of the Second Chechen War occurred at this time. By 2006-7, Russia's relationship with the West, especially with the expansion of NATO and, to a lesser but increasing degree, the EU, had become increasingly antagonistic. Meanwhile, the US military planners were aiming at a 'full spectrum dominance', focusing increasingly on the rising China, while taking into account the effects of global processes such as climate change.¹⁹

Given the continuing reliance on neoliberal economic ideas – new authoritarian variations and tendencies toward selective protectionism notwithstanding – the Union rests on a shaky basis of legitimation. It is prone to divergent developments and economic crises within itself. While these tend to reinforce disintegrative tendencies within the EU, similar tendencies are equally strong in the world system as a whole and have contributed to the securitisation of critical minerals and various supply chains and the weaponisation of interdependence. Through features and tendencies of an

¹⁶ Weber, I. (2021). *How China Escaped Shock Therapy. The Market Reform Debate*. London: Routledge.

¹⁷ Post-Keynesians from Joan Robinson to Nicholas Kaldor have explained reasons for protectionism in terms of the dynamics of competition and cumulative causation. They have also illuminated how protectionist measures – even if justified in their own right – can result in a series of tit-for-tat responses and 'beggar-thy-neighbour policies. For a recent attempt to trace the origins of trade wars to class relations, see Klein, M. & Pettis, M. (2020). *Trade Wars Are Class Wars. How Rising Inequality Distorts the Global Economy and Threatens International Peace*. New Haven: Yale University Press.

¹⁸ Patomäki, H. (2008). *The Political Economy of Global Security. War, Future Crises and Changes in Global Governance*. Routledge, chapter 6

¹⁹ For the US military planners, full spectrum dominance has meant ensuring that the US can dominate any opponent across multiple domains: land, sea, air, space, and also cyberspace. Recently, however, the US military planners have shifted focus toward great power competition with countries like China and Russia. Full spectrum dominance has evolved to focus on deterrence and control in potential conflict zones like the South China Sea and Eastern Europe. The emphasis is on maintaining superiority in new domains, particularly cyber and space, where dominance is less absolute but still strategically crucial.

increasingly militarized and some ways more disciplinary Union, this can also strengthen the EU's identity and legitimacy through antagonisms and existential threats. Widespread concern about sustainability can in turn reinforce both existential insecurity and its consequences as well as EU-wide cooperation.

2.4. Five scenarios of alternative futures

The Draghi report, foresight scenarios, and other EU plans reflect changes in the wider environment and seek to respond to them, but by and large, they lack insight into how anticipations are reflexive and can themselves shape the future, including through reinforcing tendencies towards decreasing rates of sustainable growth, rising inequalities, antagonisms, and the expansion of conflicts. From this point of view, we can write scenarios about the future of the EU in the world system. The first three focus on the consequences of the EU's possible and likely intrinsic developments; and the last two on the much wider processes, of which the EU is only a relatively small part.

(S1) The EU disintegrates further. As post-Keynesians have argued for decades, the austerity-driven tendency towards low investment – despite attempts to further financialisation and induce private investments by public means – tends to be accompanied by high unemployment and increasing inequalities. Under these conditions, new crises are likely to arise. Moreover, supply-side economic policies and related measures, combined with high inequalities and the widespread sense of existential insecurity, strengthen tendencies towards authoritarian populism. In this scenario, there is a struggle between two forms of nationalism: old (member-state nationalism) and new (European nationalism). Whether politico-economy causes will result in the actual further disintegration of the Union or the strengthening of new EU-nationalism depends on many things, including the timing and nature of the next downturn or crisis and the precise budget positions of particular member-states at that point. Even a relatively short-lived semi-recovery of the European economy after a crisis may suffice to give time for the EU to evolve in novel directions.

In this first scenario, however, the old nationalist forces prevail, and the disintegration of the EU will continue in the second half of the 2020s or the 2030s, despite attempts to raise EU competitiveness, enhance its open strategic autonomy and other related attempts proposed in the Draghi report. Old-nationalist forces are likely to prevail also because capital accumulation and economic growth are still dependent on national interests, and an EU-based capital is at best only in the process of construction. While there are large European corporations, they often remain nationally anchored;

and without a unified fiscal policy, labour law or taxation system, capital remains to a significant degree tied to national states rather than the EU. Without a unified EU-wide capital, worker and trade union struggles also remain largely national, limiting the potential for a Europe-wide labour movement. The disintegration of the EU will further weaken the Western alliance and NATO. The nationalist-populist forces are less committed to the values of the 'rule-based liberal international order' that used to be led by the US,²⁰ which itself has become an unreliable partner due to the second presidency of 'America-first' Donald Trump.

(S2) Rising EU-nationalism unites. In the context of worldwide securitisation and weaponisation of interdependence, and given the short-sighted nationalism of the US, common external threats and enemies unify. In this scenario, European or federal nationalism prevails and the EU becomes unified first and foremost through securitisation and militarization. At first, this is attempted without any major changes to the Treaty (TEU), but over time Treaty changes may come to be seen as necessary. This is because it is unlikely that EU-based capital can be created without much more sizeable EU budgets and common fiscal policy – it is becoming abundantly clear that both are necessary for large-scale investments in the military and defence sectors. In this scenario, the EU develops selectively some federal powers and capacities and becomes step by step, a player in the global game of continent-wide great powers. The resulting processes are not only contradictory but also involve antagonisms, starting with the struggle between military and social expenditures by governments. Even though selective global multilateralism will persist in some areas at first, given the unilateralism of the leading state (US) and the ever more unilateral responses to it, and the related negative dynamics of the world economy, competition and trade wars among the states will intensify and new regional blocs (possibly evolving into super-states) and subsequent alliances will evolve – thereby paving the way to a global disaster.²¹

²⁰ Since the early 2000s, especially after the global financial crisis and following the rise of China, there has (again) been a growing concern about the erosion, decline, or collapse of the US-led liberal world order (leadership meaning the ability to set rules to the others). Many stress that the current neoliberal order has not only been based on double standards but also created losers within the West and elsewhere in the world economy who have turned against this 'order'. For two different analyses, see Lake, D., Martin, L. & Risse, T. (2021). Challenges to the Liberal Order: Reflections on International Organization. *International Organization*, 75 (S12), pp. 225–57; and Parsi, V. (2021). *The Wrecking of the Liberal World Order*, transl. M.Parsi, Palgrave Macmillan.

²¹ The EU has a superstate scenario, which was first presented by Johan Galtung already in the 1970s, but in 2025 the time seems finally ripe for it to come true. A major factor is, as is increasingly evident, that the second Trump administration will deepen and radicalise the policies of the first Trump administration, as analysed in Patomäki, H. & Gills, B. (2017). Trumponomics and the 'Post-Hegemonic' World. *Real world economics review*, no. 78, pp. 91-103. <http://www.paecon.net/PAEReview/issue79/Patomaki79.pdf>.

(S3) The EU learns to become a transformative global actor. Developing a better understanding of global political economy is a matter of the collective learning of humankind concerning its own geo-historical conditions and possibilities. A lot of collective learning has already occurred, but the collective tendency to forget remains one of the problems. Forgetting is a constant tendency and a process that may undo or transform previous learning. Indeed, the self-reinforcing process of neoliberalisation, and the rise of something resembling, at least in some ways, the ‘new imperialism’ of the 1871-1914 era, have been made possible by the structurally conditioned politics of forgetting and one-sided remembering that have been gradually undoing many of the past historical lessons. However, many public intellectuals, civil society actors (including EuroMemo itself) and parties (perhaps most notably DiEM25) have developed and advocated European and global alternatives that would further cognitive, ethical-political and institutional learning on regional and global scales. Efforts in this direction can be characterised as democratic and global-Keynesian (the latter term is loose in the same way as ‘post-Keynesian’, which combines many strands of political and economic thought)²².

How possible and likely is it that the EU adopts a global Keynesian economic theory and the sort of unbounded moral theory that demands the opening of democratic political spaces and the furtherance of democratic practices in global governance also? Official EU principles have as a rule been founded on neoliberal economic policies and their technocratic-functional approval. Unless these entrenched principles are changed, the EU will not be able to promote alternative principles in world politics. Neither would global-democratic Keynesianism follow directly from the construction of a more federal EU. A nationalistically separate and Eurocentric federation will encounter the same economic problems and paradoxes as any sovereign state does, stemming from an inadequately generalisable perspective (see also Chapter 4). The more Eurocentric and short-sighted the new federation’s self-perception, the more likely it is to become a part of the prevailing conditions of the world economy, with all their inherent contradictions. It thus is likely that progressive intra-EU changes will require an external impetus or crisis.

²² The Brandt Commission (1977-1987) articulated ideas rooted in what later came to be called “global Keynesianism” – the term began as criticism but was adopted by those it was targeted at – while incorporating some of the aspirations associated with the 1974 UN Declaration on the Establishment of a New International Economic Order. For a recent exposition of the world-historical context of the Brandt Commission see Lees, N. (2021). The Brandt Line after Forty Years: The More North–South Relations Change, the More They Stay the Same? *Review of International Studies*, 47 (1), pp. 85–106.

(S4) The EU becomes drawn into a wider process of global transformations. Future European and global transformations may follow a proactive sequence: civil society widely conceived, perhaps involving new forms of agency such as European and global political parties, together with European and global “gorbachevs” (reformers emerging from within existing power structures), can rise as a spontaneous force for adequate changes.²³ However, there are also obstacles to such developments in the prevailing forms of capitalist market society, including in the context of global governance. High levels of abstraction and highly disembodied forms of individuality and social integration tend to result in fragmented, commodified and superficial understandings and are therefore far from conducive to unambiguously progressive learning processes. The tendency towards fragmentation and shallowness may be particularly strong under the conditions of a comprehensive division of labour in a society orientated towards the maximisation of profit and individualist fulfilment of individual needs.²⁴ For decades, such features have been strongly reinforced by neoliberalisation.

Although possible, it is unlikely that long-term learning processes alone would suffice to assemble the conditions for the rise of global movements as a spontaneous force for change in the coming years. The successful organisation of collective actions and something analogical to the earlier forms of ‘class consciousness’ often requires (i) a dramatic episode many actors experience simultaneously and (ii) the prevalence or emergence of hope understood in terms of widely shared stories about better future possibilities. The development of consciousness helps to overcome the contradictions specific to each moment of the process of organising collective actions (realisation of the problem or contradiction, attempts to organise collective action, development of identity and solidarity, institutional changes). Economic crises and wars, as well as environmental disasters, may simultaneously reinforce the idea that change is necessary and lower the cost of cooperation since actors know that many others feel the same way and see many of them coming together to undertake transformative action. The coming together of many actors creates also ties of trust and solidarity and thus a basis for new identities and forms of organisation. In the context of an acute threat or crisis that affects people’s everyday lives, actors following incomplete scripts about their own moral choices may also learn to tell new stories; they thus may move rapidly from one

²³ The reactive and proactive sequences are discussed in detail by Braithwaite, J. & Drahos, P. (2000). *Global Business Regulation*. Cambridge: Cambridge University Press, chapter 1.

²⁴ Such tendencies have been discerned and analysed by many social theorists, especially critical theorists, including already Habermas, J. (1988). *Legitimation Crisis*, trans. T. McCarthy, Cambridge: Polity.

level of consciousness and one moment of organising collective activities to another – even when the crisis has not yet occurred or the catastrophe happened.²⁵

(S5) Further economic or ecological crises and wars create momentum for reform movements. In its most general sense, crisis connotes a potential turning point in a process, which decides whether an existing identity or system will continue as it is, be transformed, or even cease to exist and be replaced by something else (although continuity is involved in every change). Very often in discussions of crisis, what is at issue is not prediction but the etymologically related practice of critique, which focuses on the causes of the crisis. Although causal claims will almost invariably be disputed, the crisis itself will often function as a clear indicator that previously influential theories have been faulty. A crisis also provides an opportunity to learn, as in the alleged Chinese saying that every crisis is both a threat and an opportunity. Although there is no reason to think that the current gridlock in global governance could not be broken in the economic area (for example, through the establishment of a global tax or clearing union), the current context must become markedly different in some significant respects for such a change to become possible. A crisis is likely to be involved.

In the 2020s or 2030s, a widespread sense of crisis can emerge from a rapid acceleration of climate change, economic crisis or major war. These can lead to a widely shared perception of an impending global disaster. Evidence of an impending disaster is all the more convincing the more palpable it is, even though from a rational point of view it is in no way justified to wait until a reasonably predictable process will lead to catastrophic consequences. Consider the following sub-scenarios: (i) the annual human and economic costs of global warming-related extreme weather events will increase to 10 or 50 times the current level; (ii) the Gulf Stream loses its strength and Northern Europe's climate becomes radically colder than it is now; or (iii) there is a limited nuclear war over Ukraine, Taiwan, or between India and Pakistan, with a long nuclear winter radically changing the circumstances on the planet for at least a decade. Several other similar sub-scenarios are plausible as well. The evidence of impending disaster or experiences of such disaster will prompt transformative efforts through social movements, the research community, international organisations, and some governments. However, the realisation of large-scale changes takes time, from years to decades.

Moreover, changes in the contexts of everyday life and the prevailing changes in the forms and stories of consciousness indicate a gradual cultural transition. No aspect of

²⁵ This scheme of changes is discussed in some detail in Patomäki, H. (2022). *The Three Fields of Global Political Economy*. Routledge, pp. 103-109.

modern world's (Eurocentric) history will be repeated as such, yet the transformation of the 21st century may be compared to the Age of Enlightenment and the far-reaching changes it produced in the background of social action. Shifts occur also at a more concrete level. A breakthrough in global governance in the field of security or environment involving a critique of the prevailing causal explanations, theories, ideas, and stories, will affect also the field of the economy – not least because recognising the role of political economy in security and environment is a likely part of this learning process.

For the time being, the reality is that tendencies (A)-(C) (as mentioned in section 2.2) prevail. The EU is becoming increasingly intertwined with a process of global arms race among militarised coalitions or alliances of states. Such a dynamic has already taken the world a long way toward a generalised 'cold war' era. Current developments have real potential to result in a global military catastrophe, especially in the future context of a highly troubled world economy. Such a global future is the least desirable. Moreover, it is unclear whether the world after a total military or other catastrophe would be able to organise itself on a more sustainable basis than the current world system – at any point in the 21st century anyway. It is not worth going down this path to see what happens.

Therefore, in the current situation, there is no reasonable alternative to dialogue, confidence-building measures, mutual concessions and de-escalation of the war in Ukraine. Many of the most important reforms in the 2020s and 2030s concern the governance of the world economy, technological developments, and ecological problems. Interconnected and overlapping transformations in terms of global governance systems can contribute to transforming the overall context, thus enabling the establishment of fundamentally new norms and principles, not least regarding the control of weapons of mass destruction and tackling climate change. The future of humanity depends on our ability to learn (also from history) and build common institutions on a sustainable and legitimate basis.