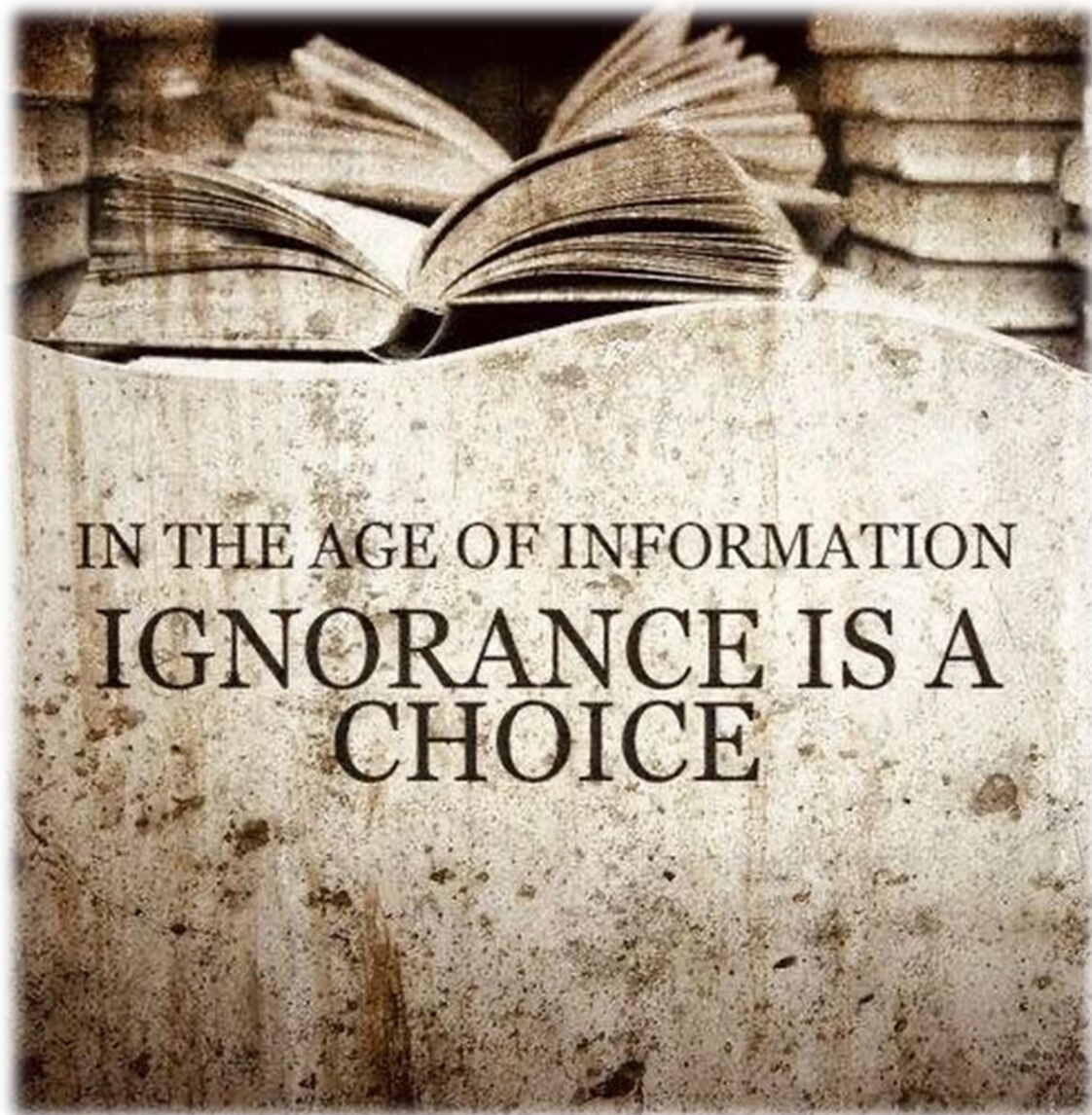


EU Competitiveness and Sustainability: towards a coherent agenda?

Andrea Renda





IN THE AGE OF INFORMATION
**IGNORANCE IS A
CHOICE**

Linear policymaking





Seven sins of our policies

Not “learning to prepare”

Not “preparing to learn”

Dividing the SDGs

Taking innovation as good *per se*

Constantly switching North Star

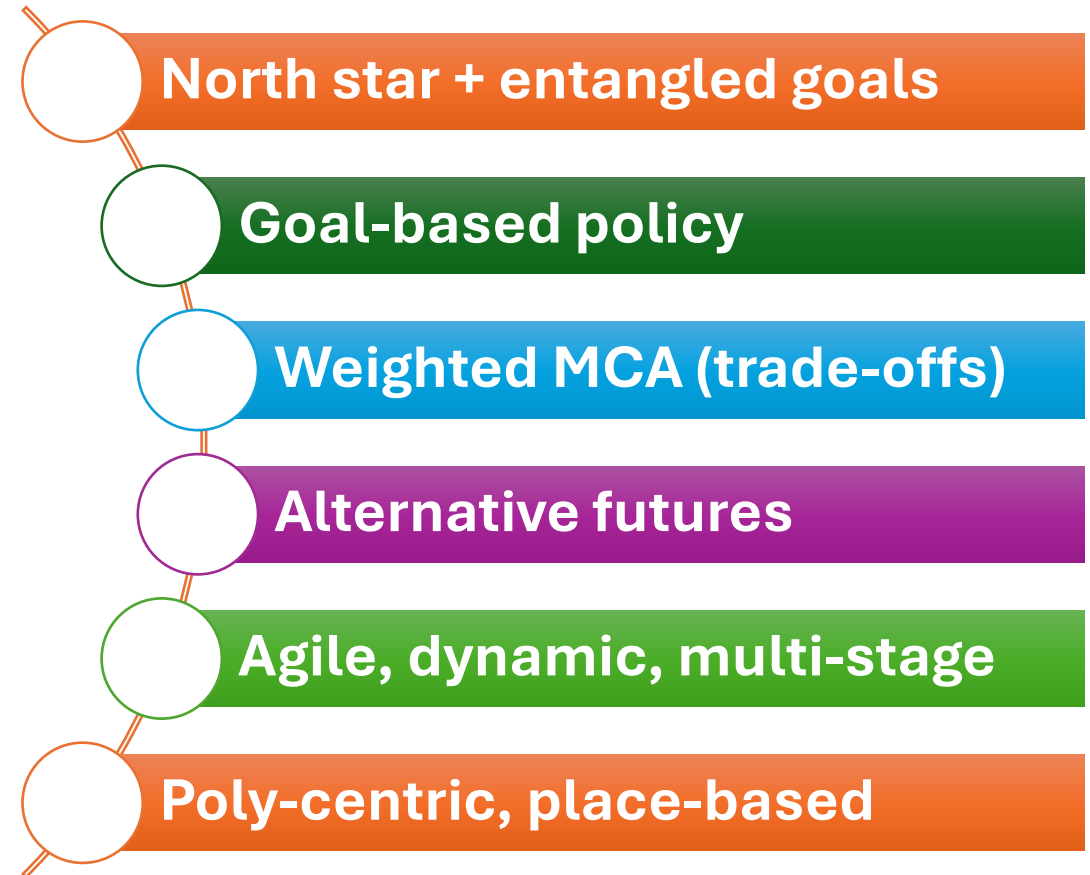
Ignoring distributional impacts

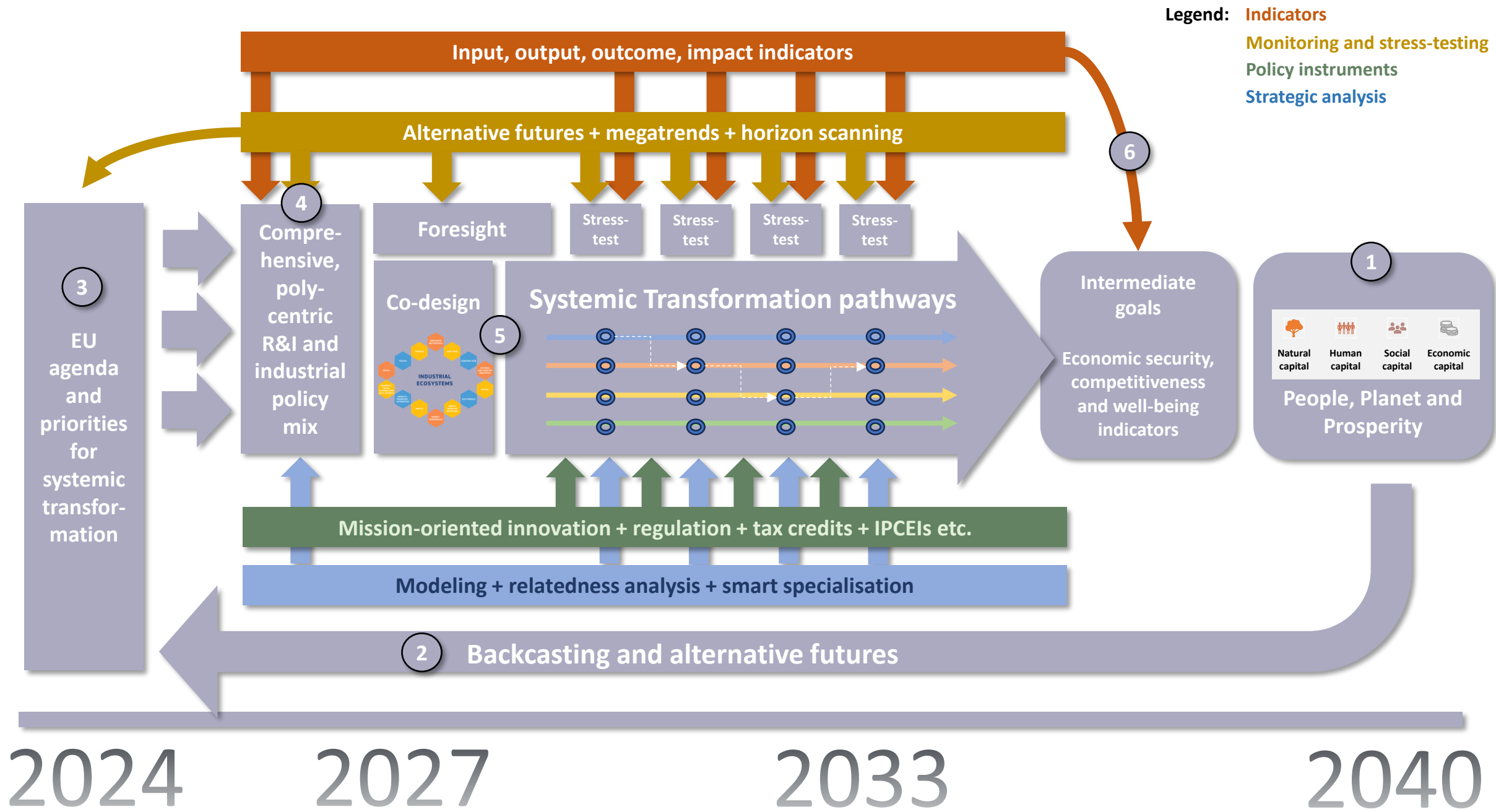
Ignoring territorial impacts

Linear policymaking



“Quantum” policymaking





Legend: Indicators
Monitoring and stress-testing
Policy instruments
Strategic analysis

Input, output, outcome, impact indicators

Alternative futures + megatrends + horizon scanning

6

3

EU agenda and priorities for systemic transformation

4

Comprehensive, poly-centric R&I and industrial policy mix

Foresight

Stress-test

Stress-test

Stress-test

Stress-test

5

Co-design

Systemic Transformation pathways

Intermediate goals

Economic security, competitiveness and well-being indicators

1

Natural capital Human capital Social capital Economic capital

People, Planet and Prosperity

Mission-oriented innovation + regulation + tax credits + IPCEIs etc.

Modeling + relatedness analysis + smart specialisation

2

Backcasting and alternative futures

2024

2027

2033

2040

Four scenarios up to 2040 (CEPS 2023)

EU has a cohesive core and a global network of affiliates

EU institutions have more authority and autonomy to act, more delegation of functions

More assertive external environmental and health policy

- Pro-EU momentum
- A “new Marshall Plan” centralises funding for development
- Mainstreaming the Green Deal and climate policy: Strong Sustainability paradigm
- A QMV system is established to help the EU overcome political deadlock
- An EU approach to digital
- A renewed social contract: trust in democracy and citizen participation
- The EU partners with ASEAN and PRC
- Strong EU in the global order

1
Optimistic New Deal

2
Wretched fortress

- Inward looking policies
- Russia and China destabilize democracies through their digital means
- Trust inside the EU gradually deteriorates
- A multitude of societal disparities
- Green Deal loses momentum
- Splinternet and gradual loss of conditions for digital tax

EU is reduced in scope and power, and more MS plan to leave

EU institutions downsized or eliminated altogether

Member States retain core policy competences

EU recognition is reduced

EU membership solidifying and expanding

Individual institutions and agencies have greater supranational powers

A strong unified EU becomes an essential partner in global affairs

Many developing nations endorse and partner with EU led coalitions

- A sense of unity and resilience throughout Europe
- The EU leads by example: an effective and efficient Union
- Semi-centralised economic policies
- Inter-governmental coalitions alongside EU-level focus on large-scale action
- EU as champion of good governance and sustainability policy

3
A United Force

4
Chinese province

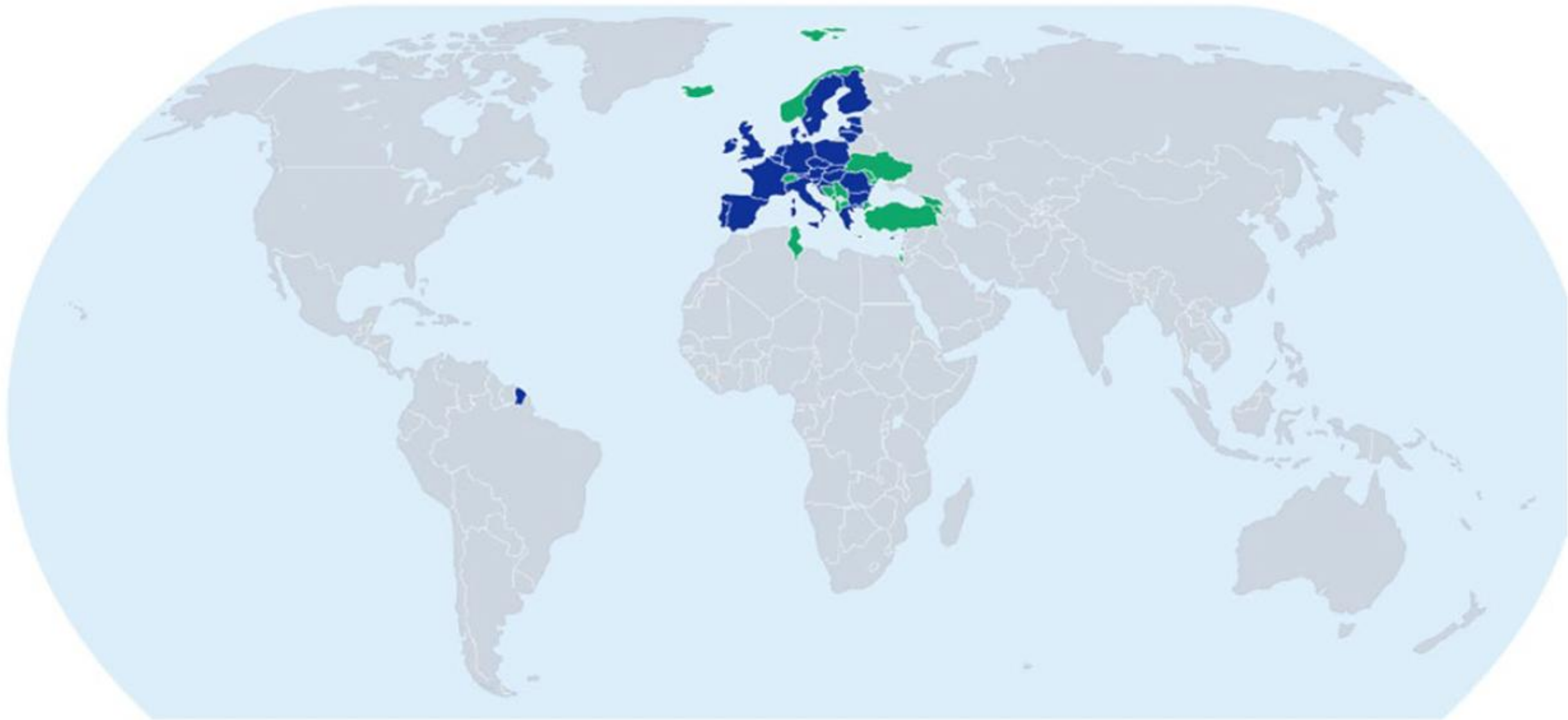
- Governments face a crisis of legitimacy
- EU socio-political landscape exploited by 'dark' players
- China grows in terms of economic wealth and geopolitical influence
- Eco-authoritarianism sweeping across EU member states
- Exit of Sweden, Denmark, the Netherlands, Belgium, Finland, and France. A comprehensive Eurasian market

A strong central authority in some domains, an arbiter towards compromise in others

Some EU institutions emboldened in their capacity to take action (ex. EEA, EDA); others see their operations curtailed (ex. EUIPO, EUROFOUND).

Together with the PRC, the EU is viewed as a major influence on global agenda setting.

Horizon 2020



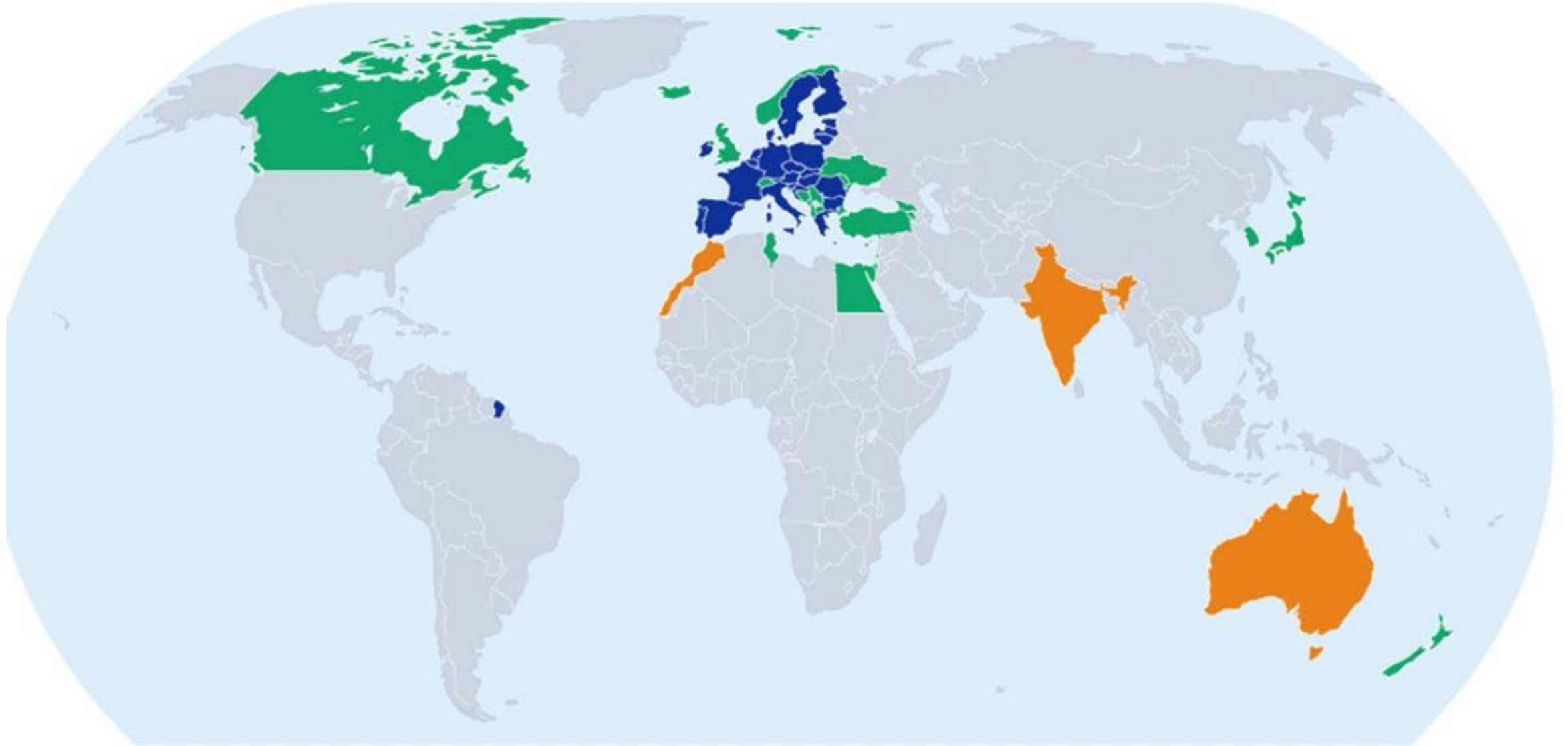
EU 27 Member States
Participate as members, not associates

Associated with Horizon Europe
Full or Pillar II association in force (EEA, candidate countries, neighbourhood, and global partners)

Association under negotiation
Exploratory or active association talks ongoing

No association

Horizon Europe: association as of April 2026



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Europe's choice for the post-2030 world

- **Embrace its values in full, enrich and operationalise its definition of competitiveness as intermediate, non-exclusive goal**
- **Deepen the Single Market by 2028**
- **Use economic complexity to define a frontier for each region, a connected European economy, and a blueprint for international cooperation**
- **Become the steward of an international coalition of middle powers to shape the post-2030 agenda**
- **Champion human rights, trust in science, and the ability to join forces to promote peace**

