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**“Future is about uncertainty”**  
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We live at the confluence of many traditional global threats and risks - and I think here of competition between the big powers, confrontation between democracy and authoritarian regimes, inefficiency of the current global institutional order, and the new threats - pandemics, with the perspective of thousands viruses in the animal world ready to jump to the world of human beings, cyber danger, climate crisis, unprecedented inflation and recession perspectives, lies and disinformation practiced by authoritarian regimes, both in their own backyard and in our democratic states.

We are in recovery and resilience building stages of the post-pandemic world. Investment funds raised on the markets through the emission of European bonds, for the first time in the Union’s history, is being invested in green economy, innovation, digitalization, health, education. This is combined with the new MFF transfers, supporting structural change and short term deficiencies. At national level, since the beginning of the pandemic unprecedented volumes of public funding have been pumped into economies. While the Recovery and Resilience Fund, based on European bonds, was considered as a one off source of public funding, the discussion, though rather controversial, has been already opened on possible continuation of this instrument.

There is a war at the doorstep of the Union, waged by a permanent member of the UN Security Council questioning sovereignty of a 44 million nation and its state. The war has cemented the dividing line between democracies and authoritarian regimes. There is no doubt that this war has impact on global trade, on integration of markets, it may bring more managed trade and managed supply chains, public subsidies to some sectors of the economy can very quickly enter the race to the bottom phase.

Eight tranches of sanctions on Russia, raised by the Union together with US and many other democratic states, aim at isolating Russia. They have direct and indirect consequences across the world.

All that prompts companies and governments worldwide to reevaluate their dependencies and reanalyze their manufacturing and assembly footprints and the supply chains disruption.

Efficiency and costs, for decades the globalization drivers are gradually replaced by focus on resilience, and maybe friend-shoring logic.

Outsourcing production to low wage countries is not anymore an obvious element of the strategy. It seems to get weaker as a feature of globalization. Technology is supporting this trend. As a result we see manufacturing returning to the American economy.

There are new waves of public subsidies in rich economies. On semiconductors the EU and US, both with their Chips Acts, aim within the TTC to avoid race to the bottom regarding state aid.

Those of you who follow the TTC developments might be worrying about consequences of the US Inflation Reduction Act that goes well beyond the tax credits for electric car vehicles, embracing many future oriented industries.

This is happening in the context of the technology race, with China following a decoupling based economic strategy, still hoping that the democratic alliance against Putin will not survive.

I believe that globalization understood in terms of trade flows, modified supply chains, maybe with some elements of relocation policy, will continue.

But there will be changes to the driving logic of world affairs.

Geopolitics, economic and technological race, new populist leaders and nationalism under banners of national sovereignty will dominate the global competition between authoritarian and democratic forces.

Somebody said that geopolitical walls are going up. And Ukraine might be the first victim of the struggles between political systems.

All differences and flows will continue to be weaponized. The world seems to be on the path toward disorder. All the efforts of democratic allies to remain united and act together on reforming and protecting the global order matter fundamentally.

In this new world, the EU remains unprecedentedly united, also more assertive and active in remodeling itself. At the same time, however, we must find our way to face together with the US the China competition. Working together within the Trade and Technology Council framework is worth mentioning in this context.

Remaining united and increasing its unification as European jurisdiction in terms of stronger Europeanization of actions will work toward Union's credibility, reputation, political strength, resilience and competitiveness.

It is important that finally we aim at designing and building common energy policy, introducing a long delayed move toward common gas purchasing, involving all big energy companies, avoiding price competition, respecting solidarity, with the effort to increase energy efficiency and savings, acting to avoid passing instability from energy to financial sector.

As the energy security is today a clear priority, we must also use better the potential of renewables that are already becoming more competitive across the world. And we have the basis to build upon.

There is a substantial volume of unfinished business when it comes to reforms of the Union. And one can hear both the voices to wait with major reforms for more peaceful times and those in favor of using the current situation as a window of opportunity for major changes. Financial reforms, strengthening the banking sector, building a robust capital market, completing Banking Union, taking seriously the challenge of European safe assets , agreeing on an efficient crisis management mechanism, giving a hard look at the stability and growth pact reform and last but not least, working on mechanism to strengthen the international role of euro and finding the best path toward digital euro - all that is feasible, depends on our political will.

Reforms are the way to handle uncertainty. And, indeed, uncertainty is what we mostly see when looking ahead.

It must be handled, it can be handled and it is already being handled through many policies and legislative changes.

We all know that public investment in challenging times can be an important mechanism, but it is a small part of what the EU needs, hence not a solution. Private investment is needed at an unprecedented scale. Business, however, might be facing the challenge which goes against its nature.

Uncertainty, current risks and threats, around the corner and globally, might require from the business community a change of heart and moving in their investment decisions away from sheer efficiency toward what is certain and gives resilience. Finding a good balance might be a way to go.

But let me also say that in this new reality we must not lose our global mindset. To help Europe win this geopolitical race, a global mindset is needed.

There will also be temptations among big authoritarian powers to aim at their own regulatory solutions, norms and standards rooted in their values and regimes. We must be vigilant. We cannot afford seeing global standards rooted in autocratic regimes' logic. This is not innocent or neutral for our future.

We must be more decisive in convincing the US that, despite systemic differences in the way we regulate and legislate, we can work together on global norms and standards, rooted in democracy and shared values.

We know that the EU's level of openness is above the others globally.

So we must work with like-minded countries to avoid the power-based trade where there are no winners.

We can be effective in building broad alliances for security, sustainability and democracy.

Our European power has always been coming from markets and laws. And our strategic autonomy has never been intended as replacement for global cooperation.

It is complementing it, though in an assertive way.