

## The interconnectedness between economics and geopolitics

The conversation started off on the question of the relative importance of economics and geopolitics in history. Nathalie Tocci noticed that during the Cold War, the general impression was that the economy was taking the back seat to security issues but that during the period that followed the collapsed of the Soviet Union, the opposite was true. The period that we are living now is something of a return to normalcy with both economics and geopolitics playing important roles. What distinguishes this period from the past is the unprecedented level of interconnectedness and the fact that major international confrontations are articulated in economic terms (trade wars). Dominique Moisi added that the Covid-19 pandemic was creating new bridges between economics and geopolitics through the potential tradeoffs between economic efficiency and security. Anne-Marie Slaughter argued that, historically, economics tend to line up behind politics in times of important threats, something that is currently emphasized by the resurgence of the conception of the world as one of great competition between superpowers.

Within the context of competing superpowers, Alexander Stubb argued that the EU was in an uncomfortable position, branded as a soft power, using economic instruments (such as regulation) but without the will to act as a true geopolitical actor. He further argued that the EU should seize the opportunity of an increase in state intervention (since the financial crisis and Covid-19) to stamp its influence. Anne-Marie Slaughter agreed that the EU needs to continue the process of turning itself into a superpower and that, despite the fact that it will never be a federal state, the EU can and should be the major economic actor standing for a rules-based order. Dominique Moisi pointed out that Europe cannot be a regulatory model if it is not perceived as a major geopolitical actor. More concretely, Alexander Stubb suggested five fields of work for the EU to assert its strength: think about strategic autonomy in certain sectors, use the trade instrument, exert regulatory power, use the power of competition policy and make the euro an independent and powerful currency. Jean Pisani-Ferry corroborated this last point by arguing that, today, partners need to know what kind of currency the euro is and whether or not they can build on it.

This conversation took place against the backdrop of the USA-China rivalry. While the panel somewhat disagreed on how the relationship between the USA and China is likely to evolve in the coming years, what came out was the idea that the EU should play with both sides from an economic standpoint even though it is likely to fall in line with the USA were there to be a geopolitical confrontation. Piotr Arak indeed argued that the USA remains an ally of choice to fight against authoritarian threats.

Finally, the panel also addressed the topic of a possible generational gap with respect to the attitudes towards these issues. Anne-Marie Slaughter introduced the concept of “geocivics”, a global attitude of millennials who are conscious of being extremely interconnected and having to confront common threats such as climate change or pandemics. This strong attention to the future of the planet, noted Dominique Moisi, can be problematic if it leads the young generation to overlook history. Alexander Stubb tied up the conversation by saying that the young generation should be involved in the EU’s policies (such as the recent historic recovery package) through a geocivics perspective.