



## Europe: The threat of the boiling frog

COMMENTARY | BY GEORGE PAGOULATOS \*

The **European Union** currently represents less than 6% of the world's population. Its share will have shrunk to 4.5% by 2050. In purchasing power parity terms, the EU27 will have fallen from 16% of global GDP today to 9% in 2050. The world's two largest economies in 2050 will likely be China **and** India, with the US in third place. Turkey is projected to be the world's 12th largest economy by 2030, rising to 11th place by 2050, overtaking France (PWC, 2017). Though these projections are based on assumptions that could be disproven by future developments, the long-term trends are rather clear.

Just one more figure is needed to complete the equation: the EU finances over four tenths of global social spending. Because its population is aging, because it invests in education. Because preserving democratic stability requires investments in social cohesion. That is why Europe represents one of the most developed regions in the world, a free democratic bloc of mature institutions, with rights, opportunities **and** social protection, ecological awareness **and** a commitment to quality of life – our **European** way of life. These are the criteria upon which one chooses where to live, not the rate of GDP growth. That is also why millions of migrants struggle to make it to Europe – not to China or to Turkey.

But the shift in the numbers is inexorable: Europe's global share is shrinking, along with its power in the world, meaning (all things being equal) a declining ability to prevent international developments unfavorable to its interests. To maintain its standard of living, the EU must address its production challenge: with reforms, closer market **and** fiscal integration, **and** technological investment. It must also address its demographic challenge: with policies to strengthen families, extend working life, **and** integrate legal immigrants. To compensate **for** its widening power deficit, the EU must raise the bar on its common ambition, define its collective **European** interest, speak the language of power **and** of **European** (not just Euro-Atlantic) unity.

The power deficits are already visible. Jointly, with our closest transatlantic ally, the EU is defending common values **and** interests on the Ukrainian front against Putinist revisionism. But Europe is also bearing



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the brunt of the energy crisis. American energy companies have made windfall profits of US\$300 billion from the war in Ukraine – US\$300 billion, in the main, sucked out of Europe's competitiveness. Then comes the protectionism of President Biden's "Buy American," which shows **European** companies with subsidies if they settle in the US, posing a real threat of deindustrialization **for** Europe.

The allegory of the boiling frog tells us that the frog which stays in the pot as it's slowly brought to the boil will perish, while the frog dropped into boiling water will leap to safety. The recent spate of (poly) crises thus comes with one advantage: Sudden crises help activate reflexes, break down resistance, eradicate procrastination. To date, Europe – **and** Greece with it – has proven resilient in the face of unexpected crises. The problem with the long term is that it sneaks up on us slowly **and** provides constant incentives **for**

postponing hard decisions. After all, political time has (at best) a four-year horizon; it is clearly not conducive to decades of preparation. In the face of complex changes requiring highly complex mobilizations on multiple levels, the political system tends to find equilibria in inertia **and** procrastination. The greatest danger to Europe's future – more perilous than the "polycrisis" **and** the "permacrisis" – lies in a gradual, imperceptible, long-term marginalization **and** a dwindling of its power.

Given adverse demographic dynamics, Greece faces identical challenges, which we talk about so much but do so little about. What's the take-home message here? Alongside Atlanticism, it is the ongoing political maturation, strengthening **and** deepening of the **European** Union that will shield Greece in the long term from the dangers posed by our troubled neighborhood. This means more readiness to support EU defense **and** political integration initiatives. It also means adherence to a truly **European** mindset **and** solidarity, seeking to align national interest with the pursuit of a stronger Union. This also includes a public discourse that does not treat partners crucial **for** the **European** project (such as Germany) as rivals!

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