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# WHITE PAPER ON THE **FUTURE OF EUROPE**

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*Reflections and scenarios  
for the EU27 by 2025*



European Commission  
COM(2017)2025 of 1 March 2017

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## Foreword

*On 25 March 2017, 27 leaders of the European Union's Member States will stand united in peace and friendship in Rome.*

*That alone is an achievement that many would have thought unthinkable when the six founding Member States agreed on the Treaties of Rome 60 years ago.*

*As we mark this anniversary, our thoughts are with those before us whose dream for Europe has become a reality. Now is the time to reflect with pride on our achievements and to remind ourselves of the values that bind us together.*

*But Rome must also be the start of a new chapter. There are important challenges ahead of us, for our security, for the well-being of our people, for the role that Europe will need to play in an increasingly multipolar world. A united Europe at 27 needs to shape its own destiny and carve out a vision for its own future.*

*This White Paper is the European Commission's contribution to this new chapter of the European project. We want to launch a process in which Europe determines its own path. We want to map out the challenges and opportunities ahead of us and present how we can collectively choose to respond.*

*After a broad debate across our continent in the months to come, including the European Parliament, national Parliaments, local and regional authorities, and civil society at large, I will take these ideas forward and give my personal views on the future of Europe in my State of the Union speech in September 2017.*




*This should help the European Council draw first conclusions by the end of the year and decide on a course of action to be rolled out in time for the European Parliament elections in June 2019.*

*As we decide which way to go, we should remember that Europe has always been at its best when we are united, bold and confident that we can shape our future together.*

*The European Union has changed our lives for the better. We must ensure it keeps doing so for all of those that will follow us.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal line that curves upwards at the end.

*Jean-Claude Juncker  
1 March 2017*



‘Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.’

*Robert Schuman*  
*9 May 1950*



## Content

|  |    |
|--|----|
| FOREWORD BY THE PRESIDENT OF THE EUROPEAN COMMISSION | 3  |
| 1. INTRODUCTION                                      | 6  |
| 2. THE DRIVERS OF EUROPE'S FUTURE                    | 8  |
| 3. FIVE SCENARIOS FOR EUROPE BY 2025                 | 15 |
| SCENARIO 1: CARRYING ON                              | 16 |
| SCENARIO 2: NOTHING BUT THE SINGLE MARKET            | 18 |
| SCENARIO 3: THOSE WHO WANT MORE DO MORE              | 20 |
| SCENARIO 4: DOING LESS MORE EFFICIENTLY              | 22 |
| SCENARIO 5: DOING MUCH MORE TOGETHER                 | 24 |
| 4. THE WAY AHEAD                                     | 26 |
| 5. ANNEXES   |    |
| THE WHITE PAPER PROCESS                              | 28 |
| THE FIVE SCENARIOS: POLICY OVERVIEW                  | 29 |

## 1. Introduction

For generations, Europe was always the future.

It took off with the vision of Altiero Spinelli and Ernesto Rossi, political prisoners locked up by a fascist regime on the isle of Ventotene during the Second World War. Their manifesto *For a Free and United Europe* painted a picture of a place in which allies and adversaries would come together to ensure that the “old absurdities” of Europe would never return.

### Ventotene Manifesto



Sixty years ago, inspired by that dream of a peaceful, shared future, the EU's founding members embarked on a unique and ambitious journey of European integration. They agreed to settle their conflicts around a table rather than in battlefields. They replaced the use of armed forces by the force of law. They opened up the path for other countries to join, reuniting Europe and making us stronger.

As a result, our troubled past has given way to a peace spanning seven decades and to an enlarged Union of 500 million citizens living in freedom in one of the world's most prosperous economies. The images of battles in trenches and fields in Verdun, or of a continent separated by the Iron Curtain and the Berlin Wall, have been replaced by a Union standing out as a beacon of peace and stability.

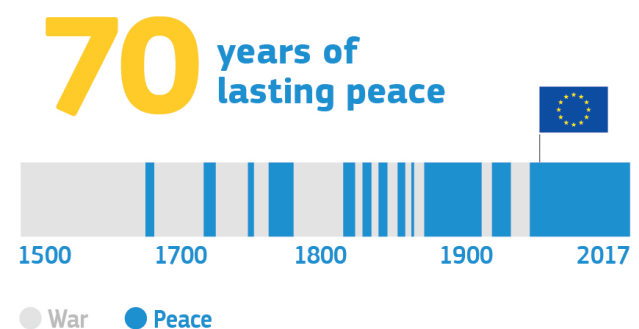
The sacrifice of previous generations should never be forgotten. Human dignity, freedom and democracy were hard-earned and can never be relinquished. Even if the attachment to peace is not one that all of today's Europeans can relate to in the same way as their parents or grandparents, these core values continue to bind us together.

The EU is now the place where Europeans can enjoy a unique diversity of culture, ideas and traditions in a Union covering four million square kilometres. It is where they have forged life-long bonds with other Europeans and can travel, study and work across national borders without changing currency. It is where the rule of law has replaced the rule of the iron fist. It is where equality is not just spoken about but continues to be fought for.

Despite this, many Europeans consider the Union as either too distant or too interfering in their day-to-day lives. Others question its added-value and ask how Europe improves their standard of living. And for too many, the EU fell short of their expectations as it struggled with its worst financial, economic and social crisis in post-war history.

Europe's challenges show no sign of abating. Our economy is recovering from the global financial crisis but this is still not felt evenly enough. Parts of our neighbourhood are destabilised, resulting in the largest refugee crisis since the Second World War. Terrorist attacks have struck at the heart of our cities. New global powers are emerging as old ones face new realities. And last year, one of our Member States voted to leave the Union.

The current situation need not necessarily be limiting for Europe's future. The Union has often been built on the back of crises and false starts. From the European Defence Community that never got off the ground in the 1950s, to the exchange rate shocks of the 1970s, through to aborted accessions and rejections in referenda in recent decades, Europe has always been at a crossroads and has always adapted and evolved.



Source: European Commission

In the last 25 years alone, the Treaties of Maastricht, Amsterdam and Nice have profoundly reformed and transformed a Union that has more than doubled in size. The Lisbon Treaty, and the decade-long debate that preceded it, has opened a new chapter of European integration that still holds unfulfilled potential.

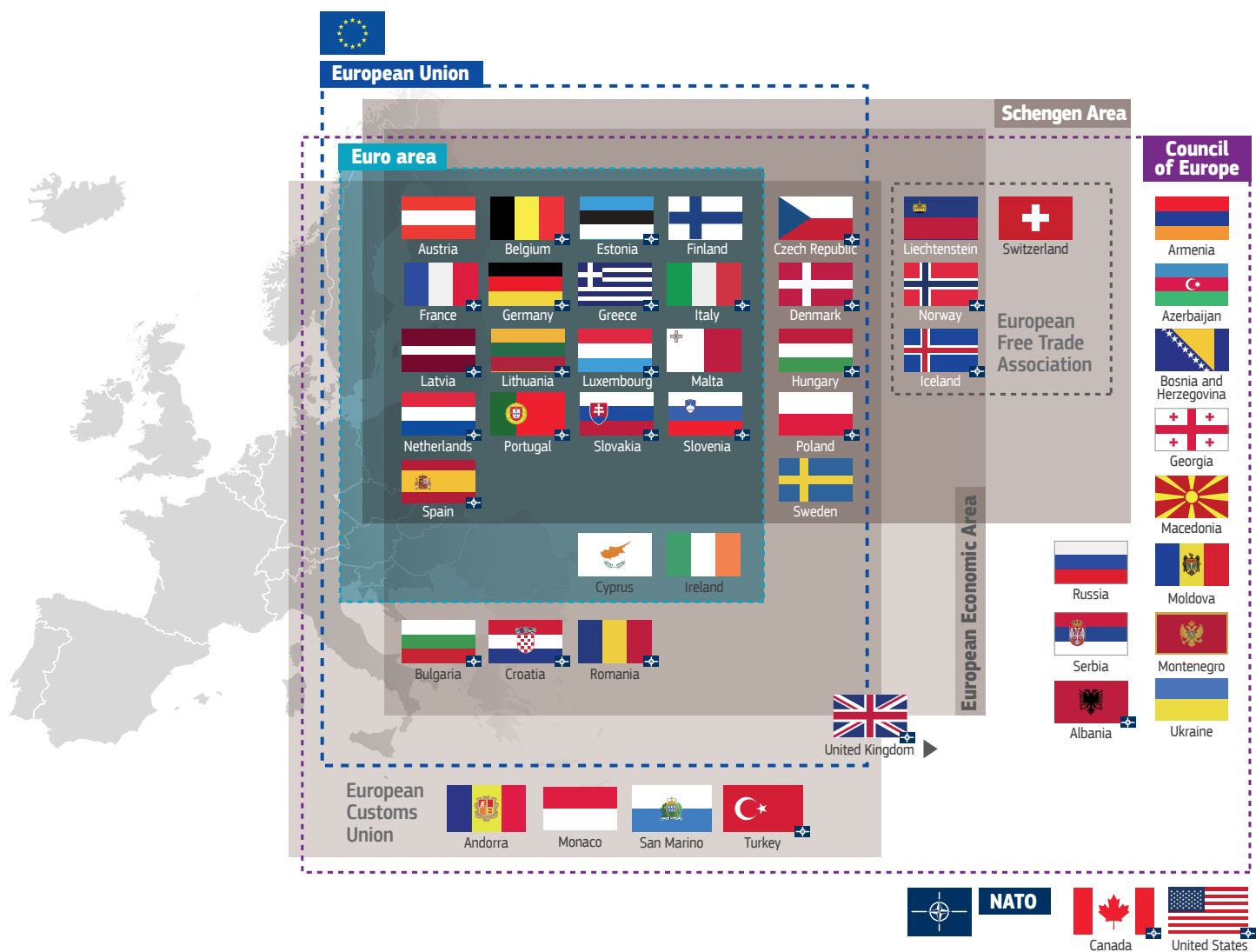
Like generations before us, our response to the task ahead cannot be nostalgic or short-term. It should be built on a common perspective, and on the shared conviction that by coming together, each of us will be better off.

As 27 EU Heads of State or Government meet in Rome to mark the 60<sup>th</sup> anniversary of our common project, we must once again look forward.

This White Paper maps out the drivers of change in the next decade and presents a range of scenarios for how Europe could evolve by 2025. In doing so, it starts a debate that should help focus minds and find new answers to an old question:

What future do we want for ourselves, for our children and for our Union?

## Europe today



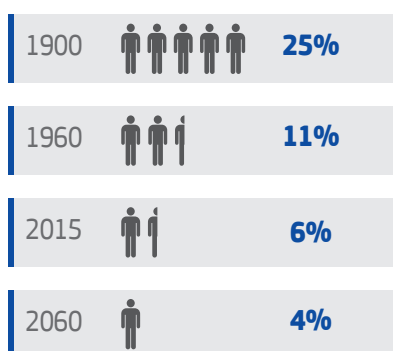
## 2. The drivers of Europe's future

### A CHANGING PLACE IN AN EVOLVING WORLD

Europe is home to the world's largest single market and second most used currency. It is the largest trade power and development and humanitarian aid donor. Thanks in part to Horizon 2020, the world's biggest multinational research programme, Europe is at the cutting edge of innovation. Its diplomacy holds real weight and helps keep the world safer and more sustainable, as shown by the historic deal with Iran on its nuclear programme or the leading role the EU played in the Paris Climate Agreement and the adoption by the United Nations of the Sustainable Development Goals for 2030. This influence is reinforced by our close cooperation with NATO and our active role in the Council of Europe.

Europe is attractive to many of its partners. While no further accession to the EU is expected in the short term, the prospect itself is a powerful tool to project stability and security along our borders. The EU works actively with its neighbourhood whether it be in the east or in the south. From our strengthened partnership with Ukraine to the wide-ranging cooperation with our African partners, Europe's role as a positive global force is more important than ever.

#### Europe represents a falling share of the world population



UN Statistical Division and Eurostat, EU27

However, that status belies a simple reality: Europe's place in the world is shrinking, as other parts of the world grow. In 1900, Europe accounted for around 25% of global population. By 2060, it will account for less than 5%. No single Member State will have more than 1% of the world population by then.

Europe's relative economic power is also forecast to wane, accounting for much less than 20% of the

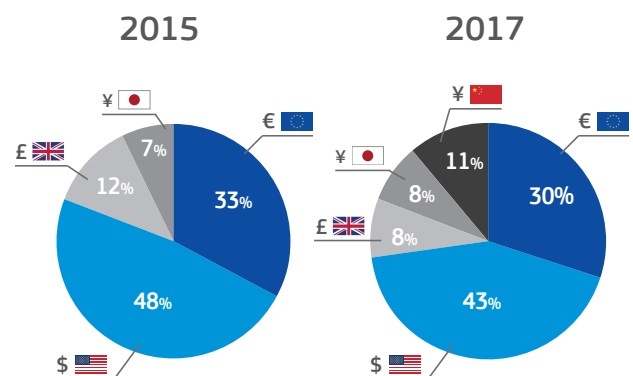
world's GDP in 2030, down from around 22% today. The rapidly rising influence of emerging economies accentuates the need for Europe to speak with one voice and to act with the collective weight of its individual parts.

#### Europe's share of global GDP is shrinking

|                          | 2004 | 2015 |   |
|--------------------------|------|------|---|
| United States of America | 28%  | 24%  | ↓ |
| EU27                     | 26%  | 22%  | ↓ |
| Japan                    | 11%  | 6%   | ↓ |
| UK                       | 5%   | 4%   | ↓ |
| China                    | 5%   | 15%  | ↑ |
| Canada                   | 2%   | 2%   | → |
| Mexico                   | 2%   | 2%   | → |
| Brazil                   | <2%  | 2%   | ↑ |
| India                    | <2%  | 3%   | ↑ |
| Rest of the world        | 18%  | 21%  | ↑ |

Source: International Monetary Fund

#### The euro is now a global currency but other players are gaining weight



Note: The charts show the recent change in the basket of currencies used as reference by the International Monetary Fund, its so-called "Special Drawing Rights"

Source: International Monetary Fund, figures are for 30/11/2015 and 24/02/2017 respectively

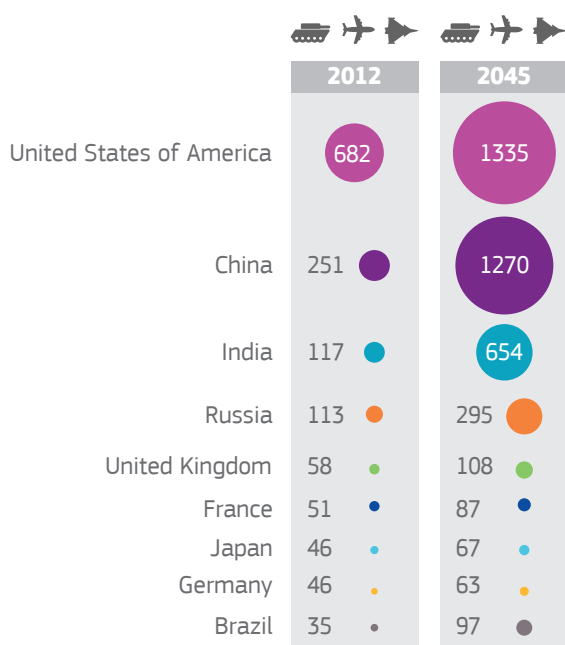
The build-up of troops on our eastern borders, war and terrorism in the Middle East and Africa, and increasing militarisation around the world are vivid illustrations of an increasingly tense global context. The need to reflect on how to deter, respond and protect against threats, ranging from large-scale cyber-attacks to more traditional forms of aggression, has never been so critical. NATO will continue to provide hard security for most EU countries but Europe cannot be naïve and has to take care of its own



security. Being a “soft power” is no longer powerful enough when force can prevail over rules.

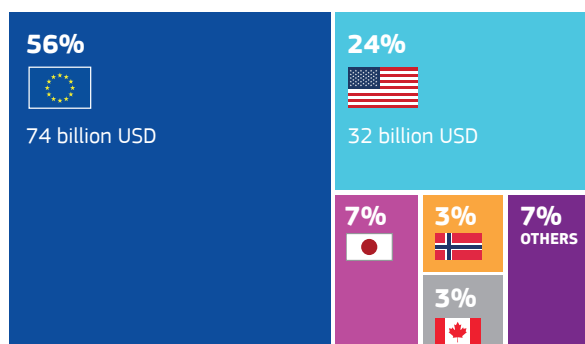
While the world has never been smaller or better connected, the return of isolationism has cast doubts over the future of international trade and multilateralism. Europe’s prosperity and ability to uphold our values on the world stage will continue to depend on its openness and strong links with its partners. Yet, standing up for free and progressive trade and shaping globalisation so it benefits all will be a growing challenge.

#### Defence expenditure is expected to double for most major defence spenders by 2045 (in billion USD)



Source: Stockholm International Peace Research Institute

#### The EU is the biggest donor of development and humanitarian aid (% of total aid and in billion USD)



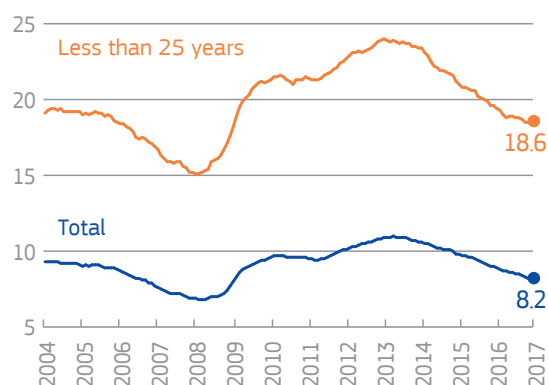
Source: OECD, 2015, EU = EU and its Member States

## A PROFOUNDLY TRANSFORMED ECONOMY AND SOCIETY

The global financial and economic crisis that started in 2008 in the United States shook Europe to its core. Thanks to determined action, the EU economy is now back on a more stable footing with unemployment falling to its lowest level since the “great recession” hit. However, the recovery is still unevenly distributed across society and regions. Addressing the legacy of the crisis, from long-term unemployment to high levels of public and private debt in many parts of Europe, remains an urgent priority.

The challenge is particularly acute for the younger generation. For the first time since the Second World War, there is a real risk that the generation of today’s young adults ends up less well-off than their parents. Europe cannot afford to lose the most educated age group it has ever had and let generational inequality condemn its future.

#### Unemployment levels falling but still high in EU28

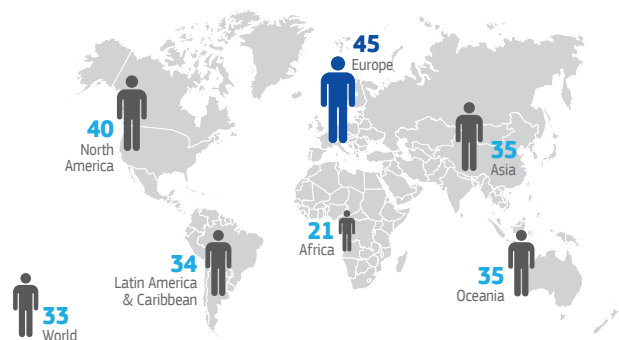


Source: European Commission

These developments have fuelled doubts about the EU’s social market economy and its ability to deliver on its promise to leave no one behind and to ensure that every generation is better off than the previous one. This has been particularly felt within the euro area, highlighting the need to complete the Economic and Monetary Union and strengthen the convergence of economic and social performances. Making Europe’s economy more inclusive, competitive, resilient and future-proof will be no less demanding in the years ahead.

Europe is ageing fast and life expectancy is reaching unprecedented levels. With a median age of 45, Europe will be the “oldest” region in the world by 2030. New family structures, a changing population, urbanisation and more diverse working lives are affecting the way social cohesion is built. In the space of a generation, the average European worker has gone from having a job for life to having more than ten in a career. There are more women in work than ever before but achieving real gender equality will mean breaking down persisting barriers. At a time when Europe’s working age population is shrinking, it needs to mobilise the full potential of its talents.

**Europeans will be the oldest in the world by 2030**  
(median age by regions of the world)



Source: Rand Europe

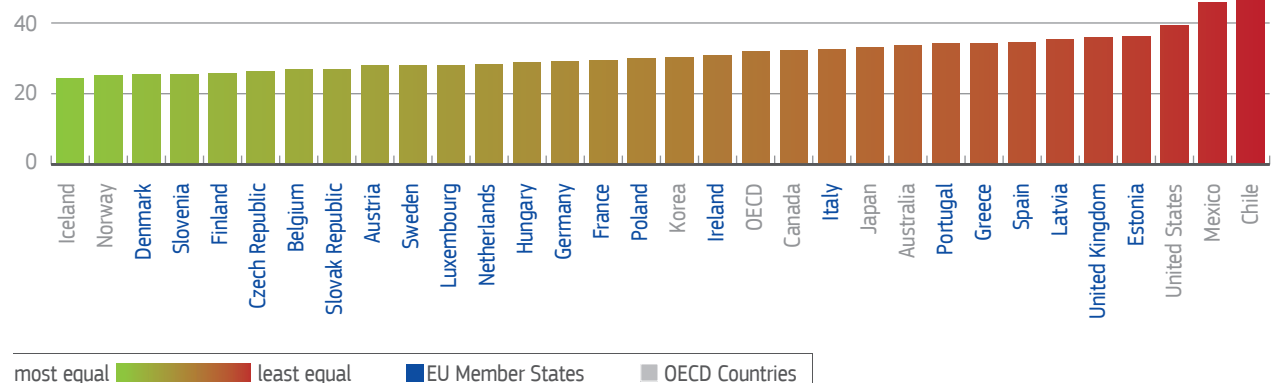
Europe already has the world’s most advanced systems of welfare State that can provide solutions to societal challenges around the world. Its scientific community is at the vanguard of global research to tackle health challenges, such as for the treatment of Alzheimer’s disease. Social protection systems will nevertheless

need to be significantly modernised to remain affordable and to keep pace with new demographic and work-life realities.

This is doubly important as Europe gets to grips with a profound digitisation of society which is already blurring the lines between workers and self-employed, goods and services, or consumers and producers. Many of today’s jobs did not exist a decade ago. Many more will emerge in the years ahead. It is likely that most children entering primary school today will end up working in new job types that do not yet exist. The challenges of increased use of technology and automation will affect all jobs and industries. Making the most of the new opportunities whilst mitigating any negative impact will require a massive investment in skills and a major rethink of education and lifelong learning systems. It will also call for the roll-out of new social rights to accompany the changing world of work.

At the same time, Europe is committed to an ambitious decarbonisation of its economy and to cutting harmful emissions. And we will have to continue adapting to growing climate and environmental pressures. Our industry, cities and households will need to change the way they operate and are powered. We are already a leader in “smart cities”, in the efficient use of natural resources and in the global fight against climate change. Our firms hold 40% of the world’s patents for renewable energy technologies. One of our major challenges will be to bring innovative solutions to market, at home and abroad.

**Europe is home to the most equal societies in the world**



Note: This graph shows the distribution of income between individuals using the Gini coefficient where 0 represents perfect equality.

Source: OECD, latest available data

## HEIGHTENED THREATS AND CONCERNS ABOUT SECURITY AND BORDERS

Europe is a remarkably free and stable place for its citizens in a world still full of discord and division. Of the 25 countries listed as the most peaceful in the world, 15 are from the EU.

However, the chilling effect of recent terrorist attacks has shaken our societies. The increasingly blurred lines between internal and external threats are changing the way people think about personal safety and borders. Paradoxically, this comes at a time when moving around the world for work and leisure is easier and more common than ever before.

The pressures driving migration will also multiply and flows will come from different parts of the world as the effects of population growth, widespread tensions and climate change take hold. The refugee crisis,

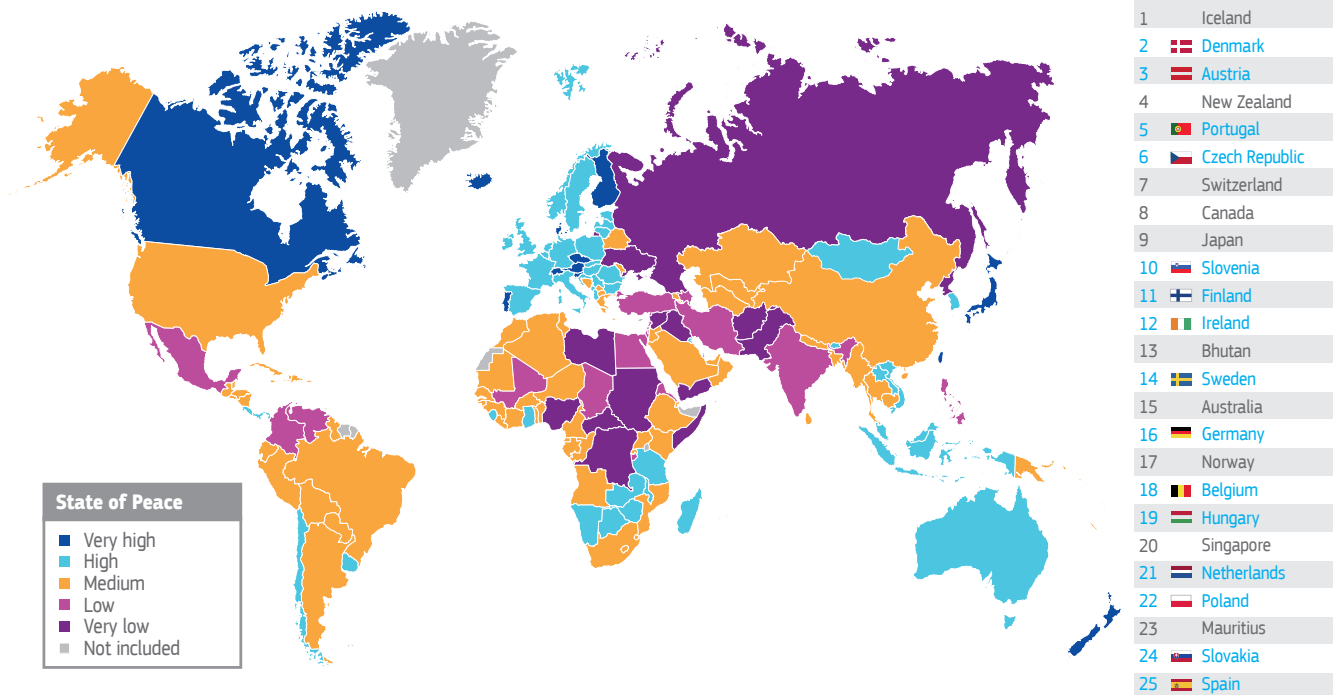
which saw 1.2 million people coming to Europe in 2015, is of a scale unprecedented since the Second World War. This has led to a contentious debate about solidarity and responsibility among the Member States and fuelled a broader questioning of the future of border management and free movement within Europe.

For the 1.7 million Europeans who commute to another Member State every day, and for the hundreds of millions who travel across Europe for family, tourism or business reasons every year, borders are a thing of the past. Yet, for the first time since walls were torn down a generation ago, the recent crises have led to temporary controls being reintroduced at certain borders within Europe.

### 25 years ago: celebrating the fall of the Berlin Wall



## 25 most peaceful countries in the world



## A QUESTIONING OF TRUST AND LEGITIMACY

The various changes affecting the world and the real sense of insecurity felt by many have given rise to a growing disaffection with mainstream politics and institutions at all levels. This often manifests itself through indifference and mistrust towards the action of public authorities. And it also creates a vacuum too easily filled by populist and nationalist rhetoric.

Blaming “Brussels” for problems while taking credit for success at home, the lack of ownership of joint decisions and the habit of finger-pointing at others have already proved damaging. Europeans are not immune to these stark images of disunity.

There is still strong support for the European project, but it is no longer unconditional. Over two thirds of Europeans see the EU as a place of stability in

a troubled world. More than 80% support the EU’s four founding freedoms. 70% of euro area citizens support the common currency.

However, citizens’ trust in the EU has decreased in line with that for national authorities. Around a third of citizens trust the EU today, when about half of Europeans did so ten years ago.

Closing the gap between promise and delivery is a continuous challenge. This is partly because the EU is not an easy construct to understand as it combines both the European level and Member States. Who does what is not well explained enough and the EU’s positive role in daily life is not visible if the story is not told locally. Communities are not always aware that their farm nearby, their transport network or universities are partly funded by the EU.

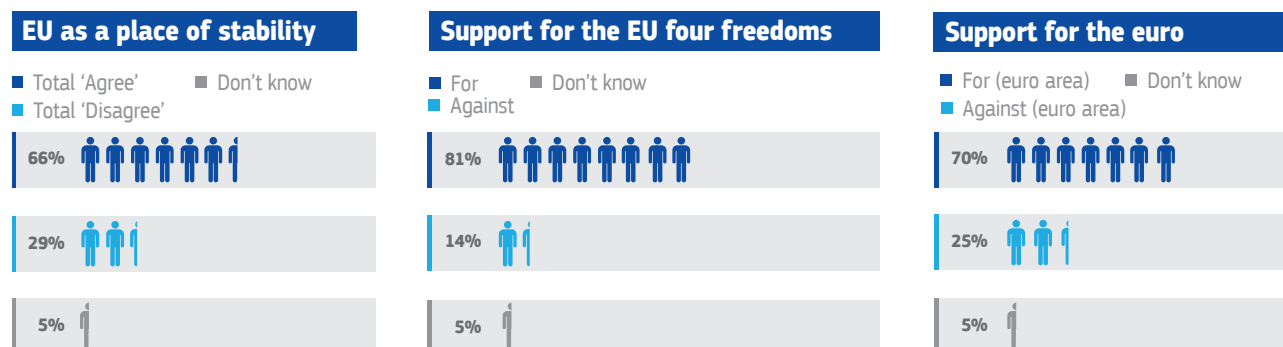
There is also a mismatch between expectations and the EU's capacity to meet them. Take the example of youth unemployment: in spite of many high-level summits and useful EU supporting measures, the tools and powers remain in the hands of national, regional and local authorities. Resources available at European level in the social field account for only 0.3% of what Member States spend in total in that area.

Restoring trust, building consensus and creating a sense of belonging is harder in an era where information has never been so plentiful, so accessible, yet so difficult to grasp. The 24/7 nature of the

news cycle is quicker and harder to keep up with and respond to than it ever has been before. More tweets are now sent every day than in a whole year ten years ago. And by 2018, around a third of the world's population will use social media networks.

These trends will only accelerate and continue to change the way democracy works. This creates new opportunities to facilitate public debate and to engage Europeans. However, Europe and its Member States must move quicker to interact with citizens, be more accountable and deliver better and faster on what has been collectively agreed.

#### How do Europeans see the EU?



Source: Eurobarometer, October and November 2016, EU28







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### 3. Five scenarios for Europe by 2025

Many of the profound transformations Europe is currently undergoing are inevitable and irreversible. Others are harder to predict and will come unexpectedly. Europe can either be carried by those events or it can seek to shape them. We must now decide.

The five scenarios presented in this White Paper will help steer a debate on the future of Europe. They offer a series of glimpses into the potential state of the Union by 2025 depending on the choices we will jointly make.

**The starting point for each scenario is that the 27 Member States move forward together as a Union.**

The five scenarios are illustrative in nature to provoke thinking. They are not detailed blueprints or policy prescriptions. Likewise, they deliberately make no mention of legal or institutional processes – the form will follow the function.

Too often, the discussion on Europe's future has been boiled down to a binary choice between more or less Europe. That approach is misleading and simplistic. The possibilities covered here range from the status quo, to a change of scope and priorities, to a partial or collective leap forward. There are many overlaps between each scenario and they are therefore neither mutually exclusive, nor exhaustive.

The final outcome will undoubtedly look different to the way the scenarios are presented here. The EU27 will decide together which combination of features from the five scenarios they believe will best help advance our project in the interest of our citizens.

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# Scenario 1: Carrying on

## THE EUROPEAN UNION FOCUSES ON DELIVERING ITS POSITIVE REFORM AGENDA.

### ***Why and how?***

In a scenario where the EU27 sticks to its course, it focuses on implementing and upgrading its current reform agenda. This is done in the spirit of the Commission's *New Start for Europe* in 2014 and of the Bratislava Declaration agreed by all 27 Member States in 2016. Priorities are regularly updated, problems are tackled as they arise and new legislation is rolled out accordingly.

As a result, the 27 Member States and the EU Institutions pursue a joint agenda for action. The speed of decision-making depends on overcoming differences of views in order to deliver on collective long-term priorities. EU legislation is checked regularly to see whether it is fit for purpose. Outdated legislation is withdrawn.

### ***By 2025, this means:***

The EU27 continues to focus on jobs, growth and investment by strengthening the single market and by stepping up investment in digital, transport and energy infrastructure.

There is incremental progress on improving the functioning of the single currency in order to drive growth and prevent shocks starting at home or abroad. Further steps are taken to strengthen financial supervision, to ensure the sustainability of public finances and to develop capital markets to finance the real economy.

The Commission's reform of State aid law is ensuring that 90% of all State aid measures are in the hands of national, regional and local authorities.

The fight against terrorism is stepped up in line with the willingness of national authorities to share intelligence. Defence cooperation is deepened in terms of research, industry and joint procurement. Member States decide to pool some military capabilities and to enhance financial solidarity for EU missions abroad.

On foreign policy, progress is made on speaking with one voice. The EU27 actively pursues trade agreements with partners from around the world, in the same way as it does today. Management of external borders is the primary responsibility of individual countries, but cooperation is reinforced thanks to the operational support of the European Border and Coast Guard. Continuous improvement to border management is needed to keep up with new challenges. If this is not done, some countries may wish to maintain targeted internal controls.

The EU27 manages to positively shape the global agenda in a number of fields such as climate, financial stability and sustainable development.

### ***Pros and cons:***

The positive agenda of action continues to deliver concrete results, based on a shared sense of purpose. Citizens' rights derived from EU law are upheld. The unity of the EU27 is preserved but may still be tested in the event of major disputes. Only a collective resolve to deliver jointly on the things that matter will help close the gap between promises on paper and citizens' expectations.





## Impact on policies

| Single market & trade   | Economic & Monetary Union  | Schengen, migration & security   | Foreign policy & defence   | EU budget   | Capacity to deliver  |
|---|--|--|--|---|--|
| Single market is strengthened, including in the energy and digital sectors; the EU27 pursues progressive trade agreements | Incremental progress on improving the functioning of the euro area | Cooperation in the management of external borders stepped up gradually; progress towards a common asylum system; improved coordination on security matters | Progress is made on speaking with one voice on foreign affairs; closer defence cooperation | Partly modernised to reflect the reform agenda agreed at 27 | Positive agenda for action yields concrete results; decision-making remains complex to grasp; capacity to deliver does not always match expectations |



## Illustrative snapshots

- Households and business are incentivised to reduce their energy consumption and produce their own clean energy. They can easily change providers. On average, bills become cheaper but half the sum is still paid to non-EU suppliers.
- Europeans can use connected cars but may still face some legal and technical obstacles when crossing borders.
- High-quality and high-speed broadband can be accessed in Europe's town centres as well as rural areas. E-commerce picks up but it remains disproportionately expensive to have products delivered from another Member State.
- Europeans are mostly able to travel across borders without having to stop for checks. Reinforced security controls mean having to arrive at airports and train stations well in advance of departure.
- The EU concludes targeted and progressive trade deals with like-minded partners such as Japan, Australia, New Zealand, Latin America and others. The ratification process is lengthy and often delayed by discussions and disagreements in some national and regional Parliaments.

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## Scenario 2: Nothing but the single market

### THE EUROPEAN UNION IS GRADUALLY RE-CENTRED ON THE SINGLE MARKET.

#### *Why and how?*

In a scenario where the EU27 cannot agree to do more in many policy areas, it increasingly focuses on deepening certain key aspects of the single market. There is no shared resolve to work more together in areas such as migration, security or defence.

As a result, the EU27 does not step up its work in most policy domains. Cooperation on new issues of common concern is often managed bilaterally. The EU27 also significantly reduces regulatory burden by withdrawing two existing pieces of legislation for every new initiative proposed.

#### *By 2025, this means:*

The functioning of the single market becomes the main “raison d’être” of the EU27. Further progress depends on the capacity to agree related policies and standards. This proves easier for the free movement of capital and of goods, which continues tariff-free, than it does in other areas.

Given the strong focus on reducing regulation at EU level, differences persist or increase in areas such as consumer, social and environmental standards, as well as in taxation and in the use of public subsidies. This creates a risk of a “race to the bottom”. It is also difficult to agree new common rules on the mobility of workers or for the access to regulated professions. As a result, the free movement of workers and services is not fully guaranteed.

The euro facilitates trade exchanges but growing divergence and limited cooperation are major sources of vulnerability. This puts at risk the integrity of the single currency and its capacity to respond to a new financial crisis.

There are more systematic checks of people at national borders due to insufficient cooperation on security and migration matters.

Internal disagreements on the approach to international trade mean the EU struggles to conclude deals with its partners. Migration and some foreign policy issues are increasingly left to bilateral cooperation. Humanitarian and development aid is dealt with nationally. The EU as a whole is no longer represented in a number of international fora as it fails to agree on a common position on issues of relevance to global partners such as climate change, fighting tax evasion, harnessing globalisation and promoting international trade.

#### *Pros and cons:*

The EU’s re-centred priorities mean that differences of views between Member States on new emerging issues often need to be solved bilaterally, on a case-by-case basis. Citizens’ rights derived from EU law may become restricted over time. Decision-making may be simpler to understand but the capacity to act collectively is limited. This may widen the gap between expectations and delivery at all levels.



## Impact on policies

| Single market & trade   | Economic & Monetary Union               | Schengen, migration & security  | Foreign policy & defence   | EU budget   | Capacity to deliver   |
|---|---|---|--|---|---|
| Single market for goods and capital strengthened; standards continue to differ; free movement of people and services not fully guaranteed | Cooperation in the euro area is limited | No single migration or asylum policy; further coordination on security dealt with bilaterally; internal border controls are more systematic | Some foreign policy issues are increasingly dealt with bilaterally; defence cooperation remains as it is today | Refocused to finance essential functions needed for the single market | Decision-making may be easier to understand but capacity to act collectively is limited; issues of common concern often need to be solved bilaterally |



## Illustrative snapshots

- Air quality differs greatly across Europe with some countries choosing to remove standards and regulations on harmful emissions. Water quality may differ along transnational rivers such as the Danube or the Rhine.
- Europeans are reluctant to use connected cars due to the absence of EU-wide rules and technical standards.
- Crossing internal borders for business or tourism is made difficult due to regular checks. Finding a job abroad is also harder and the transfer of pension rights to another Member State is not guaranteed. Those falling ill abroad face expensive medical bills.
- The EU27 fails to conclude new trade agreements as Member States are unable to agree on common priorities or some block ratification.
- Citizens in a country subject to airspace violations or large-scale cyber-attacks by a foreign power struggle to understand why sanctions are not agreed by the EU27 or even neighbouring countries.
- The renationalisation of development aid makes it harder to build comprehensive partnerships with African countries, limiting economic opportunities in a growing market and failing to tackle the root causes of migration.

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## Scenario 3: Those who want more do more

### THE EUROPEAN UNION ALLOWS WILLING MEMBER STATES TO DO MORE TOGETHER IN SPECIFIC AREAS.

#### ***Why and how?***

In a scenario where the EU27 proceeds as today but where certain Member States want to do more in common, one or several “coalitions of the willing” emerge to work together in specific policy areas. These may cover policies such as defence, internal security, taxation or social matters.

As a result, new groups of Member States agree on specific legal and budgetary arrangements to deepen their cooperation in chosen domains. As was done for the Schengen area or the euro, this can build on the shared EU27 framework and requires a clarification of rights and responsibilities. The status of other Member States is preserved, and they retain the possibility to join those doing more over time.

#### ***By 2025, this means:***

A group of Member States decides to cooperate much closer on defence matters, making use of the existing legal possibilities. This includes a strong common research and industrial base, joint procurement, more integrated capabilities and enhanced military readiness for joint missions abroad.

Several countries move ahead in security and justice matters. They decide to strengthen cooperation between police forces and intelligence services. They

exchange all information in the fight against organised crime and terrorism related activities. Thanks to a joint public prosecutor's office, they collectively investigate fraud, money laundering and the trafficking of drugs and weapons. They decide to go further in creating a common justice area in civil matters.

A group of countries, including the euro area and possibly a few others, chooses to work much closer notably on taxation and social matters. Greater harmonisation of tax rules and rates reduces compliance costs and limits tax evasion. Agreed social standards provide certainty for business and contribute to improved working conditions. Industrial cooperation is strengthened in a number of cutting edge technologies, products and services, and rules on their usage are developed collectively.

Further progress is made at 27 to strengthen the single market and reinforce its four freedoms. Relations with third countries, including trade, remain managed at EU level on behalf of all Member States.

#### ***Pros and cons:***

The unity of the EU at 27 is preserved while further cooperation is made possible for those who want. Citizens' rights derived from EU law start to vary depending on whether or not they live in a country that has chosen to do more. Questions arise about the transparency and accountability of the different layers of decision-making. The gap between expectations and delivery starts to close in the countries that want and choose to do more.



## Impact on policies

| Single market & trade  | Economic & Monetary Union   | Schengen, migration & security   | Foreign policy & defence   | EU budget   | Capacity to deliver  |
|--|---|--|--|---|--|
| As in "Carrying on", single market is strengthened and the EU27 pursues progressive trade agreements | As in "Carrying on" except for a group of countries who deepen cooperation in areas such as taxation and social standards | As in "Carrying on" except for a group of countries who deepen cooperation on security and justice matters | As in "Carrying on" except for a group of countries who deepen cooperation on defence, focusing on military coordination and joint equipment | As in "Carrying on"; additional budgets are made available by some Member States for the areas where they decide to do more | As in "Carrying on", a positive agenda for action at 27 yields results; some groups achieve more together in certain domains; decision-making becomes more complex |



## Illustrative snapshots

- A group of countries establishes a corps of police officers and prosecutors to investigate cross-border criminal activities. Security information is immediately exchanged as databases are fully interconnected. Criminal evidence produced in one country is automatically recognised in the others.
- Connected cars are widely used in the 12 Member States that have agreed to harmonise their rules and standards. The same Member States develop a set of rules to clarify ownership and liability issues linked to the Internet of Things.
- A group of countries works together and agree on a common "Business Law Code" unifying corporate, commercial and related domains of law, helping businesses of all sizes to easily operate across borders.
- Workers in 21 Member States can access additional and increasingly similar labour rights and social protection regardless of their nationality or place of residence.
- Six countries acquire a drone for military purposes. This can be used for sea and land surveillance, as well as in humanitarian rescue operations. A joint defence programme is set up to protect critical infrastructure against cyber-attacks.

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## Scenario 4: Doing less more efficiently

**THE EUROPEAN UNION FOCUSES ON DELIVERING MORE AND FASTER IN SELECTED POLICY AREAS, WHILE DOING LESS ELSEWHERE.**

### ***Why and how?***

In a scenario where there is a consensus on the need to better tackle certain priorities together, the EU27 decides to focus its attention and limited resources on a reduced number of areas.

As a result, the EU27 is able to act much quicker and more decisively in its chosen priority areas. For these policies, stronger tools are given to the EU27 to directly implement and enforce collective decisions, as it does today in competition policy or for banking supervision. Elsewhere, the EU27 stops acting or does less.

In choosing its new priorities, the EU27 seeks to better align promises, expectations and delivery. A typical example of recent mismatch is the car emissions scandal where the EU is widely expected to protect consumers from cheating manufacturers but has no powers or tools to do so in a direct and visible manner.

### ***By 2025, this means:***

The EU27 steps up its work in fields such as innovation, trade, security, migration, the management of borders and defence. It develops new rules and enforcement tools to deepen the single market in key new areas. It focuses on excellence in R&D and invests in new EU-wide projects to support decarbonisation and digitisation.

Typical examples include further cooperation on space, high-tech clusters and the completion of regional energy hubs. The EU27 is able to decide quickly to negotiate and conclude trade deals. Cooperation between police and judicial authorities

on terrorism-related issues is systematic and facilitated by a common European Counter-terrorism Agency.

The European Border and Coast Guard fully takes over the management of external borders. All asylum claims are processed by a single European Asylum Agency. Joint defence capacities are established.

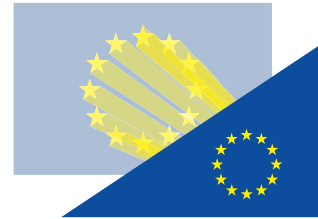
Conversely, the EU27 stops acting or does less in domains where it is perceived as having more limited added value, or as being unable to deliver on promises. This includes areas such as regional development, public health, or parts of employment and social policy not directly related to the functioning of the single market.

State aid control is further delegated to national authorities. New standards for consumer protection, the environment and health and safety at work move away from detailed harmonisation towards a strict minimum. More flexibility is left to Member States to experiment in certain areas. However, for those domains regulated at EU level, greater enforcement powers ensure full compliance.

Elsewhere, steps continue to be taken to consolidate the euro area and ensure the stability of the common currency. The EU's weight in the world changes in line with its recalibrated responsibilities.

### ***Pros and cons:***

Ultimately, a clearer division of responsibilities helps European citizens to better understand what is handled at EU27, national and regional level. This helps to close the gap between promise and delivery, even if expectations remain unmet in certain domains. Citizens' rights derived from EU law are strengthened in areas where we choose to do more and reduced elsewhere. To start with, the EU27 has real difficulty in agreeing which areas it should prioritise or where it should do less.



## Impact on policies

| Single market & trade  | Economic & Monetary Union   | Schengen, migration & security   | Foreign policy & defence   | EU budget  | Capacity to deliver   |
|--|---|--|--|--|---|
| Common standards set to a minimum but enforcement is strengthened in areas regulated at EU level; trade exclusively dealt with at EU level | Several steps are taken to consolidate the euro area and ensure its stability; the EU27 does less in some parts of employment and social policy | Cooperation on border management, asylum policies and counter-terrorism matters are systematic | The EU speaks with one voice on all foreign policy issues; a European Defence Union is created | Significantly redesigned to fit the new priorities agreed at the level of the EU27 | Initial agreement on tasks to prioritise or give up is challenging; once in place, decision-making may be easier to understand; the EU acts quicker and more decisively where it has a greater role |



## Illustrative snapshots

- A European Telecoms Authority has the power to free up frequencies for cross-border communication services, such as the ones needed for the use of connected cars across Europe. It acts as a regulator to protect the rights of mobile and internet users wherever they are in the EU.
- A new European Counter-terrorism Agency helps to deter and prevent serious attacks in European cities by the systematic tracking and flagging of suspects. National police authorities can easily access European databases containing the biometric information of criminals.
- The European Border and Coast Guard fully takes over the management of external borders.
- Salaries, social legislation and taxation levels continue to vary significantly across Europe.
- European consumers misled by car manufacturers can now rely on the EU to sanction such companies and obtain compensation.
- Farmers can access affordable, real-time weather and crop management data thanks to a fully-functioning European satellite system.



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## Scenario 5: Doing much more together

### THE EUROPEAN UNION DECIDES TO DO MUCH MORE TOGETHER ACROSS ALL POLICY AREAS.

#### *Why and how?*

In a scenario where there is consensus that neither the EU27 as it is, nor European countries on their own, are well-equipped enough to face the challenges of the day, Member States decide to share more power, resources and decision-making across the board.

As a result, cooperation between all Member States goes further than ever before in all domains. Similarly, the euro area is strengthened with the clear understanding that whatever is beneficial for countries sharing the common currency is also beneficial for all. Decisions are agreed faster at European level and are rapidly enforced.

#### *By 2025, this means:*

On the international scene, Europe speaks and acts as one in trade and is represented by one seat in most international fora. The European Parliament has the final say on international trade agreements. Defence and security are prioritised. In full complementarity with NATO, a European Defence Union is created. Cooperation in security matters is routine. The EU27 continues to lead the global fight against climate change and strengthens its role as the world's largest humanitarian and development aid donor.

The EU's broad-ranging foreign policy leads it to reinforce its joint approach on migration. Closer partnerships and increased investment in Europe's neighbourhood and beyond help to create economic opportunities, manage regular migration and tackle irregular channels.

Within the EU27, there is a strong focus and ambition to complete the single market in the field of energy, digital and services. Thanks to joint investment in innovation and research, several European "Silicon Valleys" emerge to host clusters of venture capitalists, start-ups, large companies and research centers. Fully integrated capital markets help mobilise finance for SMEs and major infrastructure projects across the EU.

Within the euro area, but also for those Member States wishing to join, there is much greater coordination on fiscal, social and taxation matters, as well as European supervision of financial services. Additional EU financial support is made available to boost economic development and respond to shocks at regional, sectoral and national level.

#### *Pros and cons:*

There is far greater and quicker decision-making at EU level. Citizens have more rights derived directly from EU law. However, there is the risk of alienating parts of society which feel that the EU lacks legitimacy or has taken too much power away from national authorities.





## Impact on policies

| Single market & trade  | Economic & Monetary Union  | Schengen, migration & security  | Foreign policy & defence  | EU budget  | Capacity to deliver  |
|--|--|---|---|--|--|
| Single market strengthened through harmonisation of standards and stronger enforcement; trade exclusively dealt with at EU level | Economic, financial and fiscal Union is achieved as envisioned in the report of the Five Presidents of June 2015 | As in “Doing less more efficiently”, cooperation on border management, asylum policies and counter-terrorism matters are systematic | As in “Doing less more efficiently”, the EU speaks with one voice on all foreign policy issues; a European Defence Union is created | Significantly modernised and increased, backed up by own resources; a euro area fiscal stabilisation function is operational | Decision-making is faster and enforcement is stronger across the board; questions of accountability arise for some who feel that the EU has taken too much power away from the Member States |



## Illustrative snapshots

- Trade agreements are actively pursued. They are initiated, negotiated and swiftly ratified by the EU on behalf of its 27 Member States.
- Europeans use connected cars seamlessly across Europe thanks to EU-wide rules and the work of an EU enforcement agency.
- Europeans wanting to have a say on a proposed EU-funded wind turbine project in their local area struggle to identify the responsible European authority.
- Citizens travelling abroad receive consular protection and assistance from EU embassies, which in some parts of the world have replaced national ones. Non-EU citizens wishing to travel to Europe can process visa applications through the same network.
- The European Stability Mechanism becomes the European Monetary Fund. It is subject to the control of the European Parliament and takes up new responsibilities to support the European Investment Bank in raising the financing of the third generation of the “Juncker Plan” to boost investment across Europe.

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## 4. The way ahead

Much of the progress that seemed impossible 60 years ago in Europe is now taken for granted. Our darkest days are still far brighter than any spent by our forefathers imprisoned in Ventotene.

Even for visionary minds like theirs, the freedoms, rights and opportunities that the EU has since created would have been unimaginable. As a united Europe marks its anniversary, it is time to renew our vows, rediscover our pride and shape our own future.

Change in all things may be inevitable, but what we want from our lives and the European values that we hold dear remain the same. We want a society in which peace, freedom, tolerance and solidarity are placed above all else. We want to live in a democracy with a diversity of views and a critical, independent and free press. We want to be free to speak our mind and be sure that no individual or institution is above the law. We want a Union in which all citizens and all Member States are treated equally. We want to create a better life for our children than we had for ourselves.

Regardless of which of the scenarios presented here ends up closest to reality, these values and aspirations will continue to bind Europeans and are worth fighting for.

The EU is a unique project in which domestic priorities have been combined and sovereignty voluntarily pooled to better serve national and collective interests. It has not always been an easy journey, it has never been perfect, but it has shown its capacity to reform itself and has proven its value over time. Following the motto of “unity in diversity”, the EU and its Member States have been able to draw on the unique strengths and richness of their nations to achieve unprecedented progress.

In an uncertain world, the allure of isolation may be tempting to some, but the consequences of division and fragmentation would be far-reaching. It would expose European countries and citizens to the spectre of their divided past and make them prey to the interests of stronger powers.

Europe must now choose. There are as many opportunities as there are challenges. This can be Europe’s hour, but it can only be seized by all 27 Member States acting together with common resolve.

This White Paper should open an honest and wide-ranging debate with citizens on how Europe should evolve in the years to come. Every voice should be heard. The European Commission, together with the European Parliament and Member States, will host a series of “Future of Europe Debates” across Europe’s national Parliaments, cities and regions. The ideas and determination of the hundreds of millions of Europeans will be the catalyst of our progress.

The White Paper is the European Commission’s contribution to the Rome Summit. Like all anniversaries, Rome will be a natural time to reflect on the success of the last 60 years. However, it should also be viewed as the beginning of a process for the EU27 to decide together on the future of their Union.

The European Commission will contribute to that discussion in the months ahead with a series of reflection papers on the following topics:

- developing the social dimension of Europe;
- deepening the Economic and Monetary Union, on the basis of the Five Presidents’ Report of June 2015;
- harnessing globalisation;
- the future of Europe’s defence;
- the future of EU finances.

Like this White Paper, these reflection papers will offer different ideas, proposals, options or scenarios for Europe in 2025 to open a debate without presenting definitive decisions at this stage.

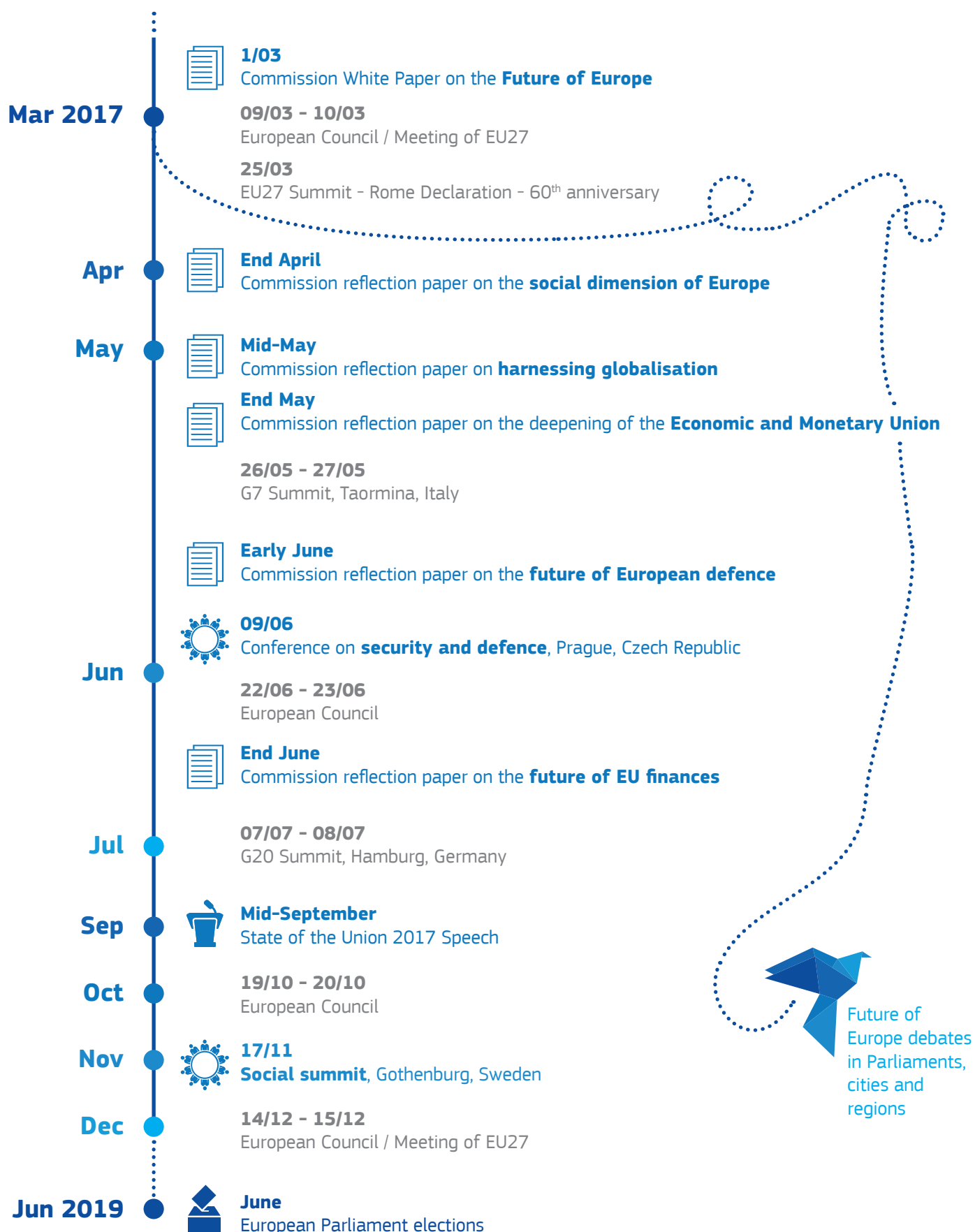
President Juncker’s 2017 State of the Union speech will take these ideas forward before first conclusions could be drawn at the December 2017 European Council. This should help decide on a course of action to be rolled out in time for the European Parliament elections in June 2019.

It is our collective will that will drive Europe forward. Like the generations before us, we have Europe’s future in our own hands.








## ANNEXES

## The White Paper process: from Rome to the European Parliament elections in 2019



## The five scenarios: policy overview

|   |   |    |   |    |   |
|---|--|---|--|---|--|
|   | <b>Carrying on</b>   | <b>Nothing but the single market</b>  | <b>Those who want more do more</b>   | <b>Doing less more efficiently</b>  | <b>Doing much more together</b>  |
| <b>Single market &amp; trade</b>          | Single market is strengthened, including in the energy and digital sectors; the EU27 pursues progressive trade agreements                                  | Single market for goods and capital strengthened; standards continue to differ; free movement of people and services not fully guaranteed             | As in “Carrying on”, single market is strengthened and the EU27 pursues progressive trade agreements   | Common standards set to a minimum but enforcement is strengthened in areas regulated at EU level; trade exclusively dealt with at EU level  | Single market strengthened through harmonisation of standards and stronger enforcement; trade exclusively dealt with at EU level   |
| <b>Economic &amp; Monetary Union</b>      | Incremental progress on improving the functioning of the euro area   | Cooperation in the euro area is limited   | As in “Carrying on” except for a group of countries who deepen cooperation in areas such as taxation and social standards  | Several steps are taken to consolidate the euro area and ensure its stability; the EU27 does less in some parts of employment and social policy   | Economic, financial and fiscal Union is achieved as envisioned in the report of the Five Presidents of June 2015   |
| <b>Schengen, migration &amp; security</b> | Cooperation in the management of external borders stepped up gradually; progress towards a common asylum system; improved coordination on security matters | No single migration or asylum policy; further coordination on security dealt with bilaterally; internal border controls are more systematic           | As in “Carrying on” except for a group of countries who deepen cooperation on security and justice matters   | Cooperation on border management, asylum policies and counter-terrorism matters are systematic  | As in “Doing less more efficiently”, cooperation on border management, asylum policies and counter-terrorism matters are systematic  |
| <b>Foreign policy &amp; defence</b>       | Progress is made on speaking with one voice on foreign affairs; closer defence cooperation   | Some foreign policy issues are increasingly dealt with bilaterally; defence cooperation remains as it is today  | As in “Carrying on” except for a group of countries who deepen cooperation on defence, focusing on military coordination and joint equipment                       | The EU speaks with one voice on all foreign policy issues; a European Defence Union is created  | As in “Doing less more efficiently”, the EU speaks with one voice on all foreign policy issues; a European Defence Union is created  |
| <b>EU budget</b>                          | Partly modernised to reflect the reform agenda agreed at 27  | Refocused to finance essential functions needed for the single market   | As in “Carrying on”; additional budgets are made available by some Member States for the areas where they decide to do more  | Significantly redesigned to fit the new priorities agreed at the level of the EU27  | Significantly modernised and increased, backed up by own resources; a euro area fiscal stabilisation function is operational   |
| <b>Capacity to deliver</b>                | Positive agenda for action yields concrete results; decision-making remains complex to grasp; capacity to deliver does not always match expectations       | Decision-making may be easier to understand but capacity to act collectively is limited; issues of common concern often need to be solved bilaterally | As in “Carrying on”, a positive agenda for action at 27 yields results; some groups achieve more together in certain domains; decision-making becomes more complex | Initial agreement on tasks to prioritise or give up is challenging; once in place, decision-making may be easier to understand; the EU acts quicker and more decisively where it has a greater role | Decision-making is faster and enforcement is stronger across the board; questions of accountability arise for some who feel that the EU has taken too much power away from the Member States |





