

## ESM Policy Conference 27 November 2024: Strategic Autonomy – A European Public Good

Geopolitical risks are on the rise and expected to persist for a protracted period. The rule-based system that has supported trade liberalization over the past few decades has been weakened, making way for a power-based system. A multipolar and less integrated global trade environment represents a formidable challenge for Europe with significant medium- and long-term consequences.

Europe is likely to face considerable spending needs, including higher defence spending and investment in key sectors to protect Europe from supply chain disruptions. This policy response needs to address also long-term structural challenges like ageing and climate, which threaten growth and innovation (ageing) while requiring deep structural changes.

In this context, in the longer term Europe needs to adapt its economic and governance architecture to remain relevant and competitive in an increasingly challenging geopolitical environment.

The policy discussion will focus on the policy mix to effectively balance the existing trade-offs while mitigating debt sustainability risks. Securing the financing necessary to support spending in key areas is likely to prove challenging in a closer, inward-looking world. The policy session will discuss the available options and explore new ones.

### Schedule:

8:30—9:15 Registration and breakfast

9:15—9:30 Opening remarks by Pierre Gramegna, ESM Managing Director

9:30—11:05 Technical presentations – Session I

*Session Chair – Lukas Vogel, European Commission*

- i. Demosthenes Ioannou (European Central Bank) – *The EU's Open Strategic Autonomy from a central banking perspective* (20 min presentation)
- ii. Angela Capolongo, Michael Kuehl, Yasin Mimir (ESM) – *Short term costs and long-term gains from strategic autonomy* (20 min presentation)
- iii. Frederik Toscani (IMF) – *Geoeconomic Fragmentation and Economic Policy* (20 min presentation)

Lukas Vogel – Discussion (10 min)

Audience Q&A (25 min)

11:05—11:25 Coffee break

11:25—13:00 Technical presentations – Session II

*Session Chair: Pilar Castrillo, European Stability Mechanism*

- iv. Gergely Hudecz, Alexandre Lauwers, Yasin Mimir, Graciela Schiliuk (ESM) – *Geoeconomic fragmentation: implications for the euro area and ASEAN+3* (20 min presentation)
- v. Andrea Brasili (EIB) – *Trade specialisation in Europe* (20 min presentation)
- vi. Violeta Klyviene (ESM) - *Renewable energy can fuel increased energy security* (20 min presentation)

Pilar Castrillo – Discussion (10 min)

Audience Q&A (25 min)

13:00-14:30 Lunch

14:30—16:30 Keynote speech and policy discussion

Keynote speaker: Beatrice Weder di Mauro – Professor of Economics, Geneva Graduate Institute of International and Development Studies

***Strategic autonomy as a public good***

Policy discussion panel:

1. Rolf Strauch – Chief Economist, ESM
2. Debora Revoltella – Chief Economist, EIB
3. Helge Berger – Deputy Director, European Department, IMF