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Europe's Death Throes or its Reawakening?

The Draghi Report on European Competitiveness

Louis Gallois

Enrico Letta delivered a report to the European Council in April 2024 on the future of the internal market. This was followed in September by Mario Draghi, ex-president of the European Central Bank and former Prime Minister of Italy, submitting a report to Ursula von der Leyen, the President of the European Commission, on European competitiveness. It stresses how Europe is increasingly falling behind the USA and China in global economic competition, a subject often broached in the columns of *Futuribles*. Above and beyond its assertion that Europe is, in its own words, experiencing its “slow death throes”, the report stresses the urgent need to take action to rouse the continent (formulating 170 proposals to that end)—an unambiguous message directed particularly to the recently refreshed European institutions.

Louis Gallois, Joint President of *La Fabrique de l'industrie* think-tank—and also a former head of EADS (Airbus) and the French rail operator SNCF, and France's Chief Commissioner for Investment between 2012 and 2014—had himself proposed a *Pact for French Industrial Competitiveness* (2012) some 10 years before. He presents his analysis of the Draghi Report here, starting out by noting

Europe's comparative technological backwardness, the necessary and difficult balance to be struck between decarbonization and competitiveness, and Europe's dependence on the outside world. He then goes on to stress what a revival would entail in terms of breakthrough innovation, decarbonized energy and, lastly, financing. In conclusion, he writes that after the Draghi Report, “We shall not be able to say that we did not know”; from now on, it is “the future of Europe that is being played out”.

Europe and the American Tech Challenge

Henri d'Agrain

Since Donald Trump re-entered the White House in early 2025, he has made any number of announcements, both protectionist and (in terms of investment) pro-active in many economic sectors. The return to power of a president who has taken the main tech leaders into his inner circle suggests that the international trade and technology war that was already raging—particularly between the USA and China (semi-conductors, artificial intelligence etc.)—is set to intensify considerably. Many commentators ask: where is Europe in all this? Caught in a vice between these two powers, driven by values that encourage it—legitimately—to advance more cautiously in the digital transition, it is also struggling to present a united front, either politically or economi-

cally. Insufficiently competitive and failing to provide adequate support for its own players in the fields of research, innovation etc., it has gradually lost much of its independence in some key sectors.

Is this irreversible? Can Europe still compete at the highest level when the tech giants, for the most part American and Chinese, are virtually monopolizing most strategic infrastructures (data centres, undersea cables, the space sector etc.)? This is a huge challenge, stresses Henri d'Agrain, General Delegate of Cigref (the major corporate network supporting the integration of digital into French organizations), but we must remain combative. After listing the challenges the EU now has seriously to address (structural weaknesses, dependence on the American cloud, various vulnerabilities, extra-territorial norms, particularly with regard to cybersecurity, geopolitical impacts, commercial law etc.), he proposes three possible trajectories for digital Europe, depending on how it confronts these challenges: the *status quo*, merely consolidating a form of strategic relegation; an ambitious transition and re-found digital sovereignty; or the exacerbation of tensions, increasing its vulnerability.

Reindustrializing for a Better Life

A Call to Action for Everyone in all Parts of France

Olivier Lluansi

The Covid crisis of 2020, followed by the return of war to the gates of Europe and the Middle East, together with the protectionist pullback by the newly restored Trump administration, have radically transformed

the geo-economic context in which France—and its European partners—operate. The will to reinforce its strategic importance and guarantee its supplies in some key sectors (medicines, energy etc.) has confirmed the need for industrial revival, the beginnings of which had been seen in the late 2010s. After some 40 years of continuous deindustrialization (France saw the share of industry in its GDP fall from 17% in 1995 to 11% in 2017), now would seem to be the time to reindustrialize.

But reconciling reindustrialization and ecological transition, against a background of an image problem for many industrial sectors and substantial competitive disadvantages (on account of differences in labour, energy and investment costs etc.), isn't easy. Can France do it, asks Olivier Lluansi? The answer is surely that it can. But not instantaneously. And it needs to set itself realistic objectives, putting faith in its regions (particularly outside the main cities) to free up potential and promote synergies, and drawing on its many assets, beginning with a massive pool of mobilizable savings, low land-use density, relatively cheap, decarbonized electricity and a training system fit for purpose. Olivier Lluansi demonstrates France's potential in these different areas and offers recommendations on how they can be quickly and efficiently made to serve in its reindustrialization.

Towards a Long-term Fall in World Population

Alain Parant

The Population Division of the United Nations Department of Economic and Social Affairs (UN DESA/POP) regularly updates its world population growth

projections. Alain Parant previously commented the 2022 revision in these columns. In this 'Signposts' column, he now presents the latest revision, made in 2024.

The Case for Reimagining the Financing of Urban Services

Water, Heat, Household Waste Facing the Challenge of Frugality

Isabelle Baraud-Serfaty, Nicolas Crinquant, Hélène Delhay, Clément Fourchy and Nicolas Rio

To progress French aims for ecological transition, the public authorities are acting both on the supply side (e.g., renewable energies) and also on the demand side—by encouraging citizens to temper their use of resources. This latter effort involves, among other things, behavioural and lifestyle changes: reducing waste, recycling, lowering the thermostat in winter, using less water etc. More abstemious behaviour of this kind is an indispensable tool for addressing climate change (by mitigation as much as by adaptation). But it has an impact—not much taken into account, as yet—on the economy of urban services, which is generally based on the assumption of a continuous growth of consumption (water, household waste, production of heat etc.) in phase with the development of the population and its needs as expressed hitherto.

As we are reminded by the authors of this article, all of them prime movers behind a study on the impact of frugality on the financing of urban services, the economic models for those services have all been built on this assumption of continuous volume growth and the gains generated by economies of scale. But though the

context has changed, the economic model has not yet adapted to that change. Given such a paradigm shift, there needs to be a rethinking of how urban services are financed. This article shows why, by looking at three emblematic areas of concern: water distribution, household refuse collection, and urban heating networks. The authors invite the operators of these services and local authorities to re-imagine their overall design, for example by reducing the size of dedicated infrastructures, revising the division of costs between operation and investment, or rethinking the notion of continuity of service. The move towards frugality, which is essential and which we can expect to see consolidated and even intensified, has systemic consequences. We have to anticipate these and adapt to them. This article provides an excellent illustration of that fact.

Child Protection to 2035

A Future Requiring Immediate Attention

Baptiste Cohen

Children's services and child protection made headlines on several occasions in Autumn 2024. Beyond the judicial aspects (e.g., the Châteauroux trial, which concluded in December, concerning an illegal network engaged in the unauthorized placement of children by the Nord département's social services and the subsequent abuse of those children), we saw recommendations from France's Economic, Social and Environmental Council in a notice explicitly entitled "Child Protection is in Danger" published in early October 2024. Naturally, when dealing with difficulties facing children and their families, the situation is almost always

an urgent one and, in a suboptimal institutional context (shortfalls in funding, staff numbers and care facilities), the immediate problem captures all the attention of the child welfare and child protection services. But, in response to such human challenges, we also have to be able to look ahead and envisage possible mid- and long-term developments, in order to cope with the specific needs of at-risk children.

This was the objective of a foresight exercise carried out between September 2020 and October 2023 by an inter-association group, supported by Futuribles, that aimed to explore the trends which might affect the child protection sector (with particular reference to the social groups concerned and the modes of intervention), and to draw up scenarios on how it may develop in the years to 2035. Baptiste Cohen, a member of the study's steering committee, outlines that exercise here. After briefly going over the relevant indicators (applicable law, available budgets, clientele and staff concerned etc.) and the underlying factors in the crisis around child protection, he presents the four scenarios developed as part of this exercise and the public policy lessons to be drawn from them. The aim is to improve the governance of this strand of welfare protection, so as to offer better future prospects for this very neglected section of youth.

Problematic Reconstruction in Syria

Jean-François Drevet

In December 2024, after more than 50 years of dynastic reign and 13 years of bloodily repressing its own people, Bashar al-Assad's regime collapsed, freeing the Syrians from oppression, but leaving a country bled dry, emptied of a large part of its population (either exiled or killed in the massacres, bombing etc. that have studded this decade). It is HTS (Hayat Tahrir al-Sham) which has liberated Syria, and that Islamist group's plans for organizing the reconstruction of the country and reviving Syrian society in a context of great national and regional chaos are as yet unknown.

In his European chronicle, Jean-François Drevet examines the three main challenges which, as he sees it, Syria will have to confront: to equip itself with a stable political structure; to restore its territorial integrity, resolve the border problems with its neighbours (Turkey, Israel, Lebanon, in particular) and solve the complex equation posed by the Kurdish question; and to reposition itself on the international scene, so as to re-establish balanced relations with the major powers, some of which have fought a proxy war on its territory. The last two challenges are of concern, directly or indirectly, to Europeans—not least because Europeans have welcomed part of the Syrian diaspora and remain involved in the international management of the crises and conflicts bedeviling the Middle East. ■

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