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# Friends of Europe and the Renewed Social Contract

2022 ACTIVITY REPORT



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The European Commission Citizens, Equality, Rights and Values (CERV) programme

Friends of Europe is a beneficiary of the European Commission Citizens, Equality, Rights and Values (CERV) programme.

The Citizens, Equality, Rights and Values (CERV) programme was launched in 2021 and will run for seven years until 2027. It was created along with the 2021-2027 Justice programme under the Justice, Rights and Values Fund.

The CERV programme seeks to support and develop open, rights-based, democratic, equal and inclusive societies based on the rule of law. That includes a vibrant and empowered civil society, encouraging people's democratic, civic and social participation and cultivating the rich diversity of European society, based on our common values, history and memory.

The CERV programme has four pillars:

1. Equality, Rights and Gender Equality – promoting rights, non-discrimination, equality (including gender equality), and advancing gender and non-discrimination mainstreaming
2. Citizens' engagement and participation – promoting citizens engagement and participation in the democratic life of the Union, exchanges between citizens of different Member States, and raising awareness of the common European history
3. Daphne – fight violence, including gender-based violence and violence against children
4. Union values – protect and promote Union values

Civil society organisations active at local, regional, national and transnational level, as well as other stakeholders, can apply to receive CERV funding for initiatives aimed at citizens' engagement, equality for all and the protection and promotion of rights and EU values.

## Introduction

Underpinned by a whole-of-society and whole-of-economy approach, Friends of Europe's work in 2022 focused on the societal impact of COVID-19 and the consequent financial unravelling of public debt across Europe and the world. Our planned work adapted early in the year in response to the Russian invasion of Ukraine, taking stock of the implications of a war in Europe's neighbourhood that unsettled peacetime accords and challenged the scope and strength of multilateralism. The war in Ukraine has served as a global signal on the need to re-evaluate perspectives on geopolitics, globalisation and the implications of supply chains stemming from illiberal regimes. Following on the back of a pandemic that tested the solidarity and resilience of local, national and global systems, we understood early on that top policy considerations included essential infrastructure, preparedness, and most critically, working with citizens as consumers and voters to support the wellbeing of their communities. The unfolding crisis of livelihoods – resulting from geopolitical challenges – would bite hard on people, communities and businesses. Now, Europe and the wider world must supercharge its efforts towards a sustainable, affordable and reliable energy transition. The increasing impact of climate change, alongside the implications of the pace of digitalisation, underscored all of our work.

Before the pandemic struck in 2020, a debate was beginning on the weakening of the so-called 'social contract'. The EU economy's 'social floor' and 'environmental ceiling' are riddled with gaps, producing social and environmental costs that someone must pay for. Scientists warn that we have almost missed the opportunity to prevent catastrophic climate change, prompting a discussion on what we owe future generations. Meanwhile, we continue to exceed our planetary boundaries in everything from food systems and biodiversity loss, to resource extraction and air, water and soil quality. Frustration and hopelessness have filtered into politics, with either high abstention rates or growing support for populist demagogues promising to tear down a system that many voters feel is not working for them. In response, a growing number of policymakers, economists and institutions have been discussing ways to renew the social contract, both for Europe and globally.

Engaging citizens with European political processes, Friends of Europe believes that social dialogue is the cornerstone on which to fulfil the promise of social progress embedded in the EU treaties and articulated via a Renewed Social Contract.

A broad programme of activities in 2022 allowed us to continue steps towards building-up and defining a vision of a Renewed Social Contract for Europe. This included taking a close look at the impact and implications for policymakers, citizens and the private sector on matters of health; the environment; digitalisation and space; peace, security and defence; and their respective roles and responsibilities in managing societal risks and expectations of each other in a context that demands rethinking and renewing our social contract. Throughout the year, our objectives of regenerating democracy, promoting new leadership, challenging inequalities of opportunity, bolstering a green transformation and reframing Europe's role in the world served as anchors and the filters for all our activities, as reflected in these reports covering our areas of expertise. Our discipline was always to ensure a multi-stakeholder and multi-disciplinary approach to our work.

# Peace, security and defence, and the Renewed Social Contract

## Introduction

A Renewed Social Contract must address the real ongoing risks to Europe through an approach that fosters coordination, cooperation and innovation. The Russian invasion of Ukraine upset political, economic, social and environmental agendas around the world, revealing the vulnerability of countries thought to be sovereignly secure. Europe has taken a measured response to Russia's aggression to prevent escalation and leave the door open to a diplomatic "escape route" for Russia, while imposing targeted sanctions and increasing efforts to reduce reliance on foreign energy sources. The conflict has led Europe to take stock of its military and defence preparedness and its relationship with partners and allies. Other issues impacting European security include increased migration, driven by economic, conflict and now climate crises. Europe needs to find a balanced response that reflects the values embedded in the Treaties while protecting fragile national social systems and curtailing a rise in far-right nationalism. Other challenges include ongoing tensions in the Middle East, US-Iran relations, digital technology advances that pose growing risks to cyber-security in public and private institutions, the pandemic-driven inflation - particularly in regions reliant on Eastern European grain supplies, and drought and water-stressed countries impacted by climate change. The Friends of Europe Peace, Security and Defence programme analysed these ongoing transnational challenges throughout 2022. A coordinated effort to reduce fragmentation and duplication in defence strategies across Europe while emphasising innovation, green solutions and cooperation with like-minded partners, can inform a robust Renewed Social Contract that ensures citizens a safe and secure future and allows Europe to assume a strong leading role on the geopolitical stage.

## A year dominated by the Ukraine invasion

Friends of Europe monitored the Russian invasion of Ukraine throughout 2022. The crisis fuels the potential to reframe Europe's role in the world, with leaders and citizens seeking a united response to the unprecedented Russian aggression. As Europe reaffirms its values, strengthens alliances with like-minded partners and gives support to leaders and civil societies defending the sovereignty of Ukraine and other vulnerable countries in the region, momentum for regenerating democracy is growing. Opportunity exists for promoting new leadership, including a strong European role in supporting fragile democracies, assisting civil societies and facilitating Ukraine's accession process into the EU and possibly also to NATO as a strategic objective of the Euro-Atlantic community.

Energy and grain shortages provide a springboard for challenging inequalities of

opportunity in the context of countries reliant on Russian supplies. The invasion is galvanising European ambition to bolster a green transformation with countries seeking to reduce dependence on Russian energy and fast-track renewable solutions.

In January, strategists and policymakers considered the Black Sea and European security and the need for a comprehensive EU strategy, which could reframe Europe's role in the region.

On 24 February, the day that Russia invaded Ukraine, Friends of Europe hosted an event on revising the vows of post-pandemic multilateralism. Intended to discuss multilateralism in the context of the COVID-19 pandemic, the focus shifted to the geopolitical crisis as a fresh test for multilateralism. Diverging values of democracy versus autocracy across international politics could undermine multilateralism and the effectiveness of institutions. Regional conversations must adopt a geostrategic perspective that takes the global reality into account.

One month into the invasion, two expert speakers discussed geopolitics and energy security in the Eastern Mediterranean. Recommendations included capitalising on Eastern Mediterranean opportunities to diversify away from Russia, continuing the energy transition and strengthening EU production of renewables to bolster a green transformation.

A policy insight event in March addressed the breakaway regions of Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh. With global attention focussed on Ukraine, an event on frozen conflicts and thawing tensions in the EU's eastern neighbourhood gathered stakeholders to discuss the balancing act countries in the region play between maintaining relations with Russia while supporting Ukraine's territorial integrity. As the invasion threatens to destabilise the eastern partnership countries, there is an opportunity for Europe to reframe its role in the world through stronger political and economic support, regaining the trust of civil society and demonstrating commitment to peaceful resolution of disputes. The shrinking space for civil society in the region makes bottom-up engagement and international partnering difficult. There is an opportunity to challenge the inequalities of opportunity by strengthening civil societies in the region, helping them to promote new leadership, thereby regenerating democracy among populations.

In April, as part of Friends of Europe's 'In Conversation with' series, Wendy Sherman, United States Deputy Secretary of State, was invited to share insights on current topics. Sherman evoked the global impact of the Ukraine invasion as a force for regenerating democracy, citing the robust EU-US alliance. China's foreign relations and NATO's future challenges were also addressed. Sherman also called for challenging inequalities of opportunity and promoting new leadership by creating more space for women at global negotiating tables.

Discussions on 21st century warfare and a whole-of-society approach to resilience in June identified energy and food shortages, cyber-attacks and disinformation campaigns as modern threats requiring a resilient response. Speakers called for updating the Geneva Convention to reflect the challenges stemming from the cybersphere. Communication tools used by Ukrainian citizens demonstrate their potential for regenerating democracy, although social media can equally be weaponised for disinformation and propaganda campaigns. Leveraging private industry in trust-based defence strategies has the potential for promoting new leadership.

Friends of Europe's annual Peace, Security and Defence Summit flagship event gathered senior decision-makers and experts in November to discuss Europe after February 24th to answer the key question: how secure is it? Participants discussed European rearmament in the context of ongoing Russian aggression against Ukraine, the role of emerging and disruptive technologies in European defence, security cooperation between Europe and Africa, and Europe's post-war future.

Recommendations included encouraging private sector investment in innovative technologies, thereby promoting new leadership; exerting EU influence in humanising early metaverse coding programmes and identifying opportunities to develop and export EU digital services, thereby reframing Europe's role in the world as a digital leader; engaging civil society to determine priorities for international partnerships and cyber-defence and developing a granular, tailored approach to counter propaganda and misinformation, thereby regenerating democracy; and offering Ukraine a step-wise route to EU membership, thereby challenging inequalities of opportunity.

The event had also an important youth engagement component in the form of a pre-summit Oxford-Style debate on the potential membership of Ukraine in NATO held at the College of Europe with two teams of four speakers debating in front of an audience of 50. Friends of Europe also organised the Transatlantic Essay Contest, receiving more than 20 submissions from students and young security and foreign policy professionals from Europe and North America. The winner of the essay contest, as well as the members of both debate teams, participated in the summit as junior delegates, bringing an important youth perspective to the event through their active participation in the debates and engagement with the speakers and senior guests.

## **Seeking diplomatic strategies for Iran**

The Friends of Europe Iran in Focus programme seeks to identify diplomatic approaches to resolving the challenges the country presents to the region, Europe and international community as a whole. In April, the roundtable on Iran's new policy for the Middle East and regional power games explored the state of Iran's global relationships. There is potential for reframing Europe's role in the world through bringing Iran and the US back to the negotiating table and mediating talks to revive the Joint Comprehensive Plan of Action.

The Iran in Focus series report, published in September 2022, explored how Europe can support Iranian civil society, promoting new leadership despite internal repression and economic sanctions. Europe seeks to challenge inequalities of opportunity through support for civil, political, as well as women's and minority rights, movements and aid in the context of imposed sanctions. By such actions, Europe can contribute to regenerating democracy through broadening and sustaining its engagement with civil society and activists in Iran.

## **Water access across the Middle East**

Water access is a geopolitical challenge in the Middle East. An event on the future diplomacy in the Middle East, which focused on the challenges of water, energy and

climate, gathered stakeholders in September, after a summer of record temperatures. Water must be included as a priority in broader discussions on security, even in countries with active conflict and other serious challenges. The urgency of climate crisis, as a transnational phenomenon, could increase the potential for deepening regional cooperation. Water diplomacy – agreements between countries with shared rivers and lakes – has been successfully negotiated in certain areas. Countries can address inequalities of opportunity by sharing their technological advances. Engaging civil societies to build capacities and raise public awareness presents an opportunity both for regenerating democracy and promoting new leadership, particularly among young people, who will face increasing challenges. Facilitating regional cooperation could reframe Europe's role in the world. The UK is prioritising Libya's green transition, bolstering a green transformation, but support is unequal across the region. Certain technological solutions, such as desalination, have serious environmental consequences. As the causes of climate change are multifaceted and global, the solutions must be global as well. It is in tackling, adapting to and mitigating the effects of climate change that Europe can play a crucial and positive role, especially by providing diplomatic and technical support to the affected countries in the region.

## **Immigration, racism and disinformation**

An event confronting the EU's 'Great Migration Muddle' explored strategies for reframing the potential of migrants in contributing to EU economies by providing much-needed labour. Participants called for a reframing of Europe's role in the world through renewed migration strategies that would challenge inequalities of opportunity by offering safe and stable living conditions to migrants. There is potential for promoting new leadership via policymakers and organisations reframing migration as a win-win phenomenon.

Far-right rhetoric is a stumbling block for migration. The policy insight event, entitled 'Dealing with far-right radicalisation and disinformation', explored racism fuelled by social media targeting disenfranchised populations. Participants emphasised the need for promoting new leadership through citizens, governments and social media companies taking action to eliminate disinformation and regulate hate speech. There is a potential for regenerating democracy through regulating social media platforms in a way that would minimise their role as channels for foreign and domestic actors to infringe upon the integrity of democratic processes. Such policies would also help to reframe Europe's role in the world. Ensuring all groups have a safe space on social media and within society eliminates inequalities of opportunity.

## **Looking ahead**

Over 40 senior experts from NATO, the EU, as well as the private and civil society sectors, gathered in May for a tabletop exercise on Europe in 2030 and boosting public-private cooperation in hybrid crises. As rapid technological developments create un- or under-governed spaces, Europe must pro-actively create legal and policy frameworks, promoting new leadership through strengthening public-private engagement. Forward-thinking strategies and policies aimed at enhancing cybersecurity within the Euro-Atlantic area can reframe Europe's role in the world. The opportunity

for regenerating democracy exists through more robust civil society engagement focused on the quality of the output. As immersive technologies expand, EU must prepare to eliminate inequalities of opportunity by ensuring workers are not stranded in the digital divide. Europe must incorporate technologies and strategies that bolster a green transformation for a healthier, cleaner future.

## **Conclusion**

A Renewed Social Contract must provide a safe and secure environment to allow citizens to flourish. Geopolitical challenges, hostile foreign and domestic autocratic actors, health threats and climate emergencies are among the major challenges facing Europe and the world. Rapid advances in technology are part of the modern landscape. Appropriate policies and legal instruments are needed to ensure that technology works for society rather than becoming weaponised. A strong and reliant European defence is needed to protect democratic interests. Friends of Europe provided a robust venue for reflection on elaborating the role of peace, security and defence within the framework of overarching key objectives for a Renewed Social Contract.



# Health and the Renewed Social Contract

## Introduction

The impact of COVID-19 and the pandemic has fundamentally rewritten the rules of the game on geopolitics, trade, globalisation, and most fundamentally, what we understand to be the purpose of health systems in Europe. The pandemic's ability to wreak havoc on every system has been unimaginable, from the ability of governments and localities to deal with the incidence of ill health and the closure of the economy, to the intra-operability of public and private systems to cope and adapt to a health crisis. The pandemic has brought into question decades of how health care has developed and the delineation of the role of the state, private sector and citizens. It has called into question the current social contract. A Renewed Social Contract must leverage innovation and redesign partnerships to create sustainable health systems that provide adequate prevention, protection, and care to citizens across Europe. With strong coordination between citizens, governments, health professionals, and private industry, Europe can offer the world a model for a healthy, sustainable health system.

## A healthier social contract

The Union's aim is to promote the wellbeing of its peoples. The role and responsibilities of the EU in doing so will be a leading area for reflection within the framework of a Renewed Social Contract.

The COVID-19 crisis brought home many truths. As the pandemic spread, the strengths and weaknesses of European health systems and the inequalities between countries, regions and groups of people were revealed. It also showed the importance of health to a well-functioning, stable Europe, uncovering the close links between health status, and economic and social progress.

Europe must meet citizen demands to live healthy, well and with dignity in a just union that improves public health, prevents illness and disease, and supports health information and education.

Throughout 2022, Friends of Europe held a number of strategically curated activities that address some of Europe's health priorities. Each distinct event shared the overarching strategic objectives of Friends of Europe, tied with the common threads of dialogue and reflection to inform a robust and sustainable Renewed Social Contract in the domain of health.

## Strategic autonomy for the supply and manufacture of medication

In March 2022, a debate around building strategic independence for the European pharmaceutical industry gathered participants from research, health economics, industry and the European institutions to consider the challenges and opportunities for sustaining and growing the European pharmaceutical sector and maintaining robust supply of essential medicines. An emphasis was placed on improving harmonisation, as well as around reporting and monitoring existing and potential problems. It addressed industrial policies, trade flow, and the move to smart procurement. Creating an EU-wide list of medicines with harmonised definitions and procedures for medicine shortages and reporting criteria will challenge inequalities of opportunity by promoting a coordinated process across the territory. Recommendations for a common industrial strategy that increases support for regional initiatives seek to reframe Europe's role in the world while promoting new leadership.

“ Where innovation happens matters – for jobs, resilience and economic growth, as well as to patients and healthcare systems across the EU

**Cristian Silviu Buşoi**, Chair of the European Parliament's Committee on Industry, Research and Energy (ITRE)

## Leading the way on antimicrobial resistance

An event on seizing the opportunity for European leadership on antibiotic development and access explored Europe's role in the global effort to secure antimicrobial supply. The November debate, held with high-level policymakers, health experts, industry, scientists and patient advocates, confirmed that EU political momentum is strong to facilitate innovative research and development through incentive programmes and reformed regulatory pathways.

Small and medium enterprises (SMEs) will benefit from these schemes, promoting new leadership in the fight against antimicrobial resistance (AMR). Strong EU commitment to addressing this issue coupled with international cooperation reframes Europe's role in the world by assuming a leadership position in ensuring that effective antimicrobial agents remain available. Improving access helps in challenging inequalities of opportunity.

## Data-driven health solutions

A discussion on the future of the European Health Data Space (EHDS) was held in October 2022. The event, hosted as part of Friends of Europe's What the Chief Says series, was the occasion to explore EHDS opportunities and challenges. Claire Bury, Deputy Director-General at the European Commission-Directorate General for Health and Food Safety, discussed the potential of the EuropeanHDS to support

epidemiology, prevention, diagnostics, research and treatments. More robust, granular data will challenge inequalities of opportunity by clarifying the impact of social and economic determinants of health. Protecting patient privacy must be balanced with giving citizens appropriate control over their data. The rare disease patient community has demonstrated that citizens are ready to harness their data to forward research and solutions. The vital role of health data will need to be clarified in the Renewed Social Contract.

## Preventing ill-health and improving population health

“ It’s cost-effective to focus on prevention. We are investing in our public health

**Dr Hans Bruyninckx**, Executive Director of the European Environment Agency

The need to re-focus health and other systems on prevention and health promotion is fundamental to making health systems financially sustainable and to allow Europe’s peoples to live well. Within a Renewed Social Contract, governments, citizens and private industry will have a role to play in identifying, promoting and adopting changes that lower risk factors and reduce health inequalities. Friends of Europe focused on areas where ill-health can be prevented.

## Europe’s leading cause of death and how to prevent it

Cardiovascular disease (CVD), primarily heart attack and stroke, is the leading cause of death and preventable illness in Europe, affecting over 60mn people and straining local, national and European health budgets. A Friends of Europe debate on cardiovascular health in a changed and changing world, held in partnership with the European Alliance for Cardiovascular Health (EACH) and supported by the MEP Heart Group, brought together policymakers, researchers, health professionals and citizens in May 2022 to discuss how progress can be made. The EACH alliance unveiled its European strategy for cardiovascular health (CVH) based upon a coordinated approach to prevention, screening, management, research, best practices and data. “The EACH Action Plan for Cardiovascular Health provides a structure and strategy to tackle the problem in a coordinated way,” said Stephan Achenbach, President of the European Society of Cardiology.

The participants also looked to Spain’s innovative CVH strategy, which looks at the whole-of-society responsibility in disease prevention, along with streamlined and equitable screening and treatment. “We have shifted our strategy’s philosophy, moving from disease to health, from patients to citizens,” said Dr Héctor Bueno, Scientific Coordinator of Estrategia en Salud Cardiovascular (ESCAV), the new Spanish national strategy for cardiovascular health.

“Across Europe, we know the impact and prevalence of CVDs, which have a notably higher death rate in central and eastern Europe,” commented Stella Kyriakides,

European Commissioner for Health and Food Safety at the event. Regional inequalities and the social gradient in health is clear in CVD incidence and health; addressing CVD effectively will give more people the opportunity to contribute to the economy and civic life. A Renewed Social Contract will call on national and regional governments to learn from each other, sharing national and regional strategies.

New digital technologies integrated throughout the care pathway to share data and knowledge, facilitate research and implement preventive measures throughout the territory will allow EU countries to meet the challenge of CVD, reframing Europe's role in the world.

## Beating cancer and cleaning up the environment

Pollutant exposure is responsible for an estimated 10% of all cancer cases in Europe, the majority of which are preventable. The Friends of Europe debate on beating cancer with better environments, held in June 2022 was the occasion to discuss a new European Environment Agency report, entitled 'Beating cancer — the role of Europe's environment'. Policymakers, health experts and environmental advocates reflected on collaborative strategies. Certain cancers can be reduced through leveraging environmental policies, such as the European Green Deal, the EU 2021 Zero Pollution Action Plan and the Chemical Strategy for Sustainability. These opportunities for action bolster a green transformation while improving public health. A cleaner Europe will be a healthier, more equitable Europe.

“ It is good to emphasise the co-benefits for the environment and for health care

**Jane Burston**, Executive Director of the Clean Air fund and 2015-2016 European Young Leader (EYL40)

The poorest communities are most impacted by pollution-linked diseases and certain countries may need support to transition away from pollutants. Efforts to reduce environmental pollutions and related cancers will challenge inequalities of opportunity. To convince policymakers that reducing pollutants will have a positive impact on citizen well-being and future health budgets, evidence needs to be more widely shared. It will be essential to encourage all players to take action to reduce cancer pollutants. Citizens and health professionals are leading advocacy in the field, while horizontal and vertical collaboration between layers of government is a crucial piece of the puzzle.

How will the Renewed Social Contract address the environmental ceiling to reduce the European cancer burden linked to pollution? Prevention, health and environmental literacy, evidence sharing and addressing inequalities in disease burdens and pollution are elements to bring to the table when discussing new policies. Progress can be achieved through a combination of evidence, good practices and seizing the occasion for change by leveraging environmental policies.

“ To achieve lasting change in Europe, we need to choose the right moment to introduce impactful measures into the political agenda

**Dr Alexander Simidchiev**, Member of the Bulgarian National Assembly Leader (EYL40)

## Can Europe keep innovating? The European Health Innovation Summit

The health programme's flagship event was the moment to fully align and kickstart work on health and the Renewed Social Contract up to 2030. Friends of Europe's Health Innovation Summit – 'reimagining health systems: green, agile and citizen-centred' gathered citizens, policymakers and experts on 29 November 2022 to explore how the spirit of social, policy and practical innovation seen during the pandemic can be maintained to address future challenges and changes. The summit looked at three key shifts: the changing role of citizens in health; health and the green transition; and an ageing Europe. The conclusion was clear that more engaged citizens is key for the future of our health systems.

Looking at the changing role of citizens in health, participants highlighted the importance of health literacy and digital skills for citizens, practitioners and private companies. They discussed how the value of patient engagement has been demonstrated in the field of rare diseases and that this model can be extrapolated to other fields.

On health and the green transition, the summit found that mainstreaming the 'green agenda' can be part of the reorientation to community-based, preventive models; this will deliver better care and reduce the need for primary, secondary and tertiary care – which will reduce the environmental footprint of the health system. In addition, shallow intervention can already be implemented to reduce emissions from health care.

Discussions on the implications of an ageing population brought together parallel discussions on health on the one hand, and long term-care on the other, one week before the European Council recommendations on the latter were adopted. Participants appreciated the opportunity to take a holistic view of the two systems and the benefits of better collaboration between them. Discussions focused on the need to re-focus on extending healthy life years over extending life expectancy, and the need to keep people well so that more intensive health care can be used when it is most needed and most effective; reducing non-communicable diseases will be crucial to reaching this goal. The summit discussed who is responsible for care, namely the balance of responsibility and rights between individuals, families and the state, as well as the impact of 'who cares' and the skills of carers on labour market participation and economies. The need to innovate processes and systems to allow the right treatment to be delivered was another key conclusion.

## Conclusion

Throughout 2022, Friends of Europe curated events on critical health topics that generated forward-looking discussions on Europe's leading health challenges and opportunities. The Friends of Europe events stimulated rich reflection on the strategies needed to sustain a healthier, more equitable Europe within the context of the Renewed Social Contract.

Some of the overarching themes that emerged from the discussions – equity, innovation, strong policies and solid partnerships – can drive future discussions on how to shape a robust, sustainable Renewed Social Contract. In the word of Brando Benifei MEP, Co-Chair of the MEP Heart Group: “A healthier European Union is a better European Union.”

# Digital and space, and the Renewed Social Contract

## Introduction

Europe must continue to promote freedom, security and democracy as everyday activities move online. This shift raises novel questions about a new relationship between digitalisation and democracy, particularly considering the accelerated digitalisation of society caused by the coronavirus pandemic. Meanwhile, space exploration – with its capacity, competition, infrastructure and role as a new market – will prove to be a defining issue for our planet over the next decade and beyond. There is an opportunity to learn from mistakes we have made on earth, where government policy has struggled to keep up with innovations in the private sector. There must be a conversation about how to protect citizens and their interests, whilst ensuring they reap the rewards from emerging space policies. A Renewed Social Contract should promote EU values, including both freedom and security. This means that the role of citizens, the EU and the private sector must urgently be addressed to ensure a fair digital transition for all of society, on earth and in space. The speed of digitalisation and of space technologies, unlike anything the world faced in earlier iterations of social policy, presents its own unique challenges to the development of a fair Renewed Social Contract. Openness to new ideas will be vital in this digital and space sector, perhaps more than in any other policy field. At the same time, rapid automation must not supersede citizen concerns or ignore inequalities created by digitalisation. Friends of Europe's activities in 2022 highlighted that Europe's role in developing a citizen-based new era of a social digital and space policy is essential.

## Facing a new challenge - fast

Social problems facing society existed long before the internet, but Europe was too slow to prepare for malicious online activity. The EU, the private sector and the rest of society must now work quickly to develop a new social contract to allow for digitalisation and a changing world.

The EU is a strong role model for democratic digital societies. The Conference on the Future of Europe was a good example of direct online citizen participation, promoting participative and deliberative democracy through a mainly digital exercise.

Experts and audience participants at a Friends of Europe event in June on the role of digital in the new social contract set themselves to think about who is responsible for the digital transition of our societies, how the private sector can help the state digitalise faster and more successfully, and the role of the EU in creating this new social contract.

“ There is a need to adjust the policy framework to enable investments quickly into connectivity

**Erzsébet Fitori**, Group Head of EU Affairs and Relations at Vodafone Group

During the event, suggestions emerged on the way forward for digitalisation and democracy, particularly in the context of a Renewed Social Contract. These included: a roll-out of high-quality, resilient broadband across all regions to build an inclusive democratic debate; working together with civil society, national governments, the EU, the private sector and other experts to promote the participatory design of technologies, in line with user expectations; building EU values into technologies at the design stage; and EU support to help citizens protect themselves from malicious online behaviour through education and training.

## Waking up in turbulent times

Recent and current global crises are the background against which Europe must create more resilient, robust digital societies. These crises are simultaneously a challenge and an inspiration for developing secure, sustainable and economically viable digitalisation. Examples can be seen of digitalisation bringing practical support to citizens facing war in Ukraine. The COVID-19 pandemic highlighted gaps and inequalities in society, but the swift development of vaccines showed how much can be achieved through focus, application and solidarity.

Experts and audience participants at Friends of Europe events considered how digitalisation could and should help us find a path through global, geopolitical, health, economic and security crises that are impacting the world.

The concern in Europe is to maintain influence – with technological superiority as a driver for competitiveness and influence. Often in Europe there is, however, a gap between technological ambition and outcome, despite years of EU investment in research and innovation. By better working together, drawing on the talent and resources in both the public and private sectors, innovation can better be promoted in the EU and beyond.

“ This is the time to kill old taboos, to dare, to question what we have done in the past and to think about doing things fundamentally differently

a participant at our event on space traffic management

As a result of rapid digitalisation, people are likely to require a lifelong learning approach, with regular upskilling and retraining to keep abreast of technological developments. By making culture accessible from anywhere and by anyone, innovation in technology also continues to democratise art, reaching out beyond the traditional museum visitors and concertgoers.

Debates in March, June and October heard a range of suggestions on how to navigate successful digitalisation policy through today's global crises. These included: promoting a long-term vision for the telecoms sector over prescriptive short-term political cycles; designing EU guidelines for websites; developing a new contract between governments, the private sector and civil society to encourage productive collaboration; offering programming courses in schools at an early stage of education; hiring local and national



government officials with a knowledge of IT; and rewarding officials who follow digital transformation courses.

## Space for citizens

Europe's role in space should be as a strategic leader with an increased share of international space markets. This means bringing space benefits to citizens and fostering the growth of space SMEs. A Friends of Europe space summit in June heard that every aspect of our lives has the potential to be impacted by the way Europe and its partners approach the new questions of space.

Space is not as unregulated as a first glance suggests, with several international regulations – as well as training opportunities – in place for decades. Private sector interest means space exploration, challenges and opportunities are now very different, requiring a new approach to manage problems such as safety and space debris. This means both developing a coordinated, international space policy at the highest level and learning from the EU approach to other global challenges, notably climate change.

“ We are taking care of our planet. We also need to care about what is happening in spacey

**Elodie Viau**, Director of Telecommunications and Integrated Applications at the European Space Agency (ESA)

To bolster a green digital transition and reduce inequalities in space, expert participants and audience members put forward several ideas over a series of events. These ideas included: boosting connectivity across Europe to bridge the digital divide through direct EU and national support for satellite operators; learning from the lessons of tackling climate change to address problems in space at an early stage; and encouraging small start-ups and entrepreneurs to stay in Europe by fostering bottom-up and regional dialogue.

## To boldly go, through consensus

A landmark report on European security in space reminded readers that a non-geographical and extra-terrestrial frontier has become as important to security as the more traditional borders on land, sea and air. Yet, Europe is falling behind in many key areas regarding the race to utilise space for the benefit of its population and of mankind and to protect its interests, despite major space technology achievements such as Galileo and Copernicus. A European approach of moving forward through consensus, rather than through bans and binding treaties, should be fostered internationally.

In this spirit of dialogue, a November dinner debate considered ways to manage space junk safely, reducing the risk of satellite collisions with debris or of debris falling to earth. Diners heard that ten of the EU's 27 member states have no space law at all, making a Europe-wide set of rules all the more important.

“ A European approach should be the first step but ultimately there has to be a solution at the global, probably UN, level

one participant

## The business of teamwork

“ We need to cocreate the future

**Eimear Creaven**, President of Western Europe at Mastercard

As well as building on the best of EU experience and style when it comes to policy, Europe needs to work hand in hand with business and the financial sector to promote a Renewed Social Contract in a digital domain. A year of events closed with experts debating the use of business and financial policy to foster societal resilience through crises. Collaboration, cooperation and co-creation were the words that occurred most often. This means working across the public, private and civil society sectors, as well as addressing the age divide, by addressing climate challenges for a digitally savvy young generation.

With this in mind, a broad range of ideas of relevance to the digital and space policy emerged for potential development by policymakers and business. These included: drawing a clearer line between EU and corporate interests; a shift from income tax to behavioural taxes; a democratic debate about divesting from fossil fuels; and encouraging business to educate consumers in sustainability.

## Conclusions

Openness to a multitude of new ideas will be vital if Europe is to promote a safe, sustainable Renewed Social Contract online and off-planet. A year of conversations around digital and space policy showed that some solutions already exist and many more are emerging.

Given the speed and unpredictability of developments in two major new arenas and potential markets – the Metaverse and outer space – an alert and responsive approach must, however, be maintained at all times.

This should also mean promoting an inclusive digital and space policy, offering lifelong learning and opportunities to overcome any digital divide.

In many cases, challenges that seem novel at first glance are, in fact, simply old problems moving online or into space. In others, however, the EU and international community are facing threats that were unimaginable a few years ago.

The EU is well placed to face this challenging situation both by learning from past mistakes and by sharing best practice. Climate change has taught Europe of the need to react swiftly and sustainably in response to international challenges, with many of the most inspiring examples of climate leadership having an EU origin. The EU approach to negotiation through consensus can and should also be translated to international efforts to develop and protect values online and in space.

# Climate action and the Renewed Social Contract

## Introduction

Scientists warn that we have almost missed the opportunity to prevent catastrophic climate change, prompting a discussion on what we owe future generations. Meanwhile, we continue to exceed our planetary boundaries in everything from food systems and biodiversity loss, to resource extraction and air, water and soil quality. Over the course of 2022, activities focused on the urgent issue of climate action and energy systems' transition, as Russia's illegal invasion of Ukraine added a new sense of urgency. Apart from its disastrous impacts on the Ukrainian people, the resulting scramble for energy security and high energy prices pose a massive challenge to European citizens.

A Renewed Social Contract must be built for and with citizens, across society and all together, never more so than when it comes to tackling climate change. Rising global temperatures pose uniquely social problems, affecting the everyday lives of citizens. This can be seen clearly for instance in debates around and news about the price of energy and the price of carbon, both of which have close links with the perceived price of green innovation and the cost of living crisis. In turn, discussions about how to achieve energy independence raise questions about how to pay for a transformed energy grid - and how to make sure the social benefits of local or regional clean energy policies. At a time of widespread public disillusionment with many established social and political bodies, a renewed social contract for climate change offers an opportunity to listen to citizens and ensure their voices are heard.

## What is the price of the future?

The price of carbon has a significant impact on the speed and extent to which Europe can promote clean technologies and associated life benefits for citizens. However, as a market-based mechanism, it cannot be developed in a vacuum and will always be vulnerable to external geopolitical shocks.

The EU carbon price in 2022 experienced a steep decline following the Russian invasion of Ukraine. At the same time, the prices of electricity and gas soared, leaving many citizens struggling to pay for fuel, as well as raising considerable energy security concerns. EU carbon pricing proposals must, however, remain central to efforts to reduce emissions by at least 55% this decade.

Experts and audience participants at a Friends of Europe carbon pricing event in March set themselves to thinking about the use of emissions trading system (ETS) revenues and the need to tackle the EU ETS free allocations, as well as developing a sustainable transition to a low-carbon economy.

## “ Carbon pricing is a pillar on the decarbonisation path, and this path has enormous advantages for the security of supply

**Beatriz Yordi**, Director for Carbon Markets and Clean Mobility at the European Commission  
Directorate-General for Climate Action

During the event, suggestions emerged on the way forward for carbon pricing and the wider climate and energy debate, particularly in a whole-economy, whole-society stakeholder contract. These included: ringfencing ETS revenue for member states to help them tackle social aspects of the energy crisis; continuing with the sustainable transition as a means to decouple Europe from Russian fossil fuels; ensuring a price corridor to mitigate sharp price rises; removing the system of free allocations with the introduction of the Carbon Border Adjustment Mechanism; and ensuring that the environmental benefits of green hydrogen are properly rewarded.

### Transatlantic talk

A series of three thematically linked events over the course of 2022 looked at EU-US relations in the context of developing successful climate change policies and clean, innovative technology. This Transatlantic Climate Dialogue series underlined the role played by innovation and by a new generation of young entrepreneurs. The United Nations estimates that if 1bn people take practical action in their own lives, they could reduce as much as 20% of global carbon emissions. Climate tech can enable consumers and citizens to gain a better understanding of our individual carbon footprint and empower everyone to take climate action.

A first policy debate looked at technology and climate action for individuals, including through real life case studies. These were food sharing app Olio (UK), carbon footprint calculating and neutralising app Klima (Germany), and emissions tracking and offsetting app Joro (US).

The session found that the impact and potential of these and other climate-action apps was enormous for citizens, most of whom carry apps in their pocket, but that challenges remain. These include: the behavioural challenge of encouraging people to manage their carbon emissions in the way that they manage finance; a diversity challenge to include women and people from diverse backgrounds in technology development; and the challenge of ensuring consistency and standardisation across products.

A subsequent session on clean transport recognised that reimagining and decarbonising transport is essential for addressing climate change in everyday life. Technologies examined here included EV trading batteries trading platform EG Cling Systems; Vianova, which allows cities, public transport operators and other mobility providers to exchange information on traffic and kerbside management; and BusUp, which helps companies and employees deal with the high economic and environmental cost of commuting.

Key challenges identified to enable technologies to benefit citizens and promote green markets across the digital divide included: promoting employee benefits; sharing data; developing second-hand markets, transitioning to sustainable aviation; and harmonising legislation.

Finally, the Transatlantic Climate Dialogue series looked at financing a clean energy transition. To meet the objectives of the Paris Agreement, we need to invest around \$3tn to \$5tn annually for the next 30 years and climate fintech can play a significant role in making that happen. This session looked at the vibrant ecosystem of start-ups, focusing on finance processes related to climate adaptation and mitigation.

Challenges identified at this final session included overregulation of small companies, a lack of harmonisation between countries and markets, and the difficulty of raising awareness of small fintech companies. EU policymakers were asked to take a flexible approach, so that acceptable risks can be taken while consumer protection is still high, and to ensure fair rules for companies of all sizes in the EU.

This series of events culminated in a hybrid high-level roundtable held on the occasion of the European Young Leaders (EYL40) meeting in Lisbon. Young entrepreneurs that participated in the Transatlantic Dialogue series were joined by EYL40, as well as policymakers and experts from the US, Canada and the EU. The discussants considered ways to build transatlantic synergies and learn from each other's experiences.

Beyond the urgent need for Europe, the US and others to work together to harmonise regulations for new technologies, it was highlighted that the key to the involvement of citizens in climate action is a change of narrative: we need a new discourse that is less about the punishment of people for their actions and more about common endeavour, benefits of the transition and building a better future. To take full advantage of the energy transition, Europe and the US need a workforce with the right skills and policymakers must encourage this development.

## A year of crisis and opportunity

The landmark 2022 Climate and Energy Summit took place just two months after the Russian invasion of Ukraine and a subsequent further steep increase in gas and oil prices. This came at a moment when most measures to slow the spread of the coronavirus had been lifted around Europe, leading to a resurgence in economic activity and consumer demand, with all the associated emissions. The latest Intergovernmental Panel on Climate Change (IPCC) report had also just been published, warning that the Earth's surface temperature will increase by 2°C by 2050 if there is no immediate and drastic reduction in greenhouse gas emissions.

The EU should encourage member states to help consumers improve energy efficiency and reduce their energy demand. "This is an area where we are completely off track."

“ We should treat consumers as adults in the room

**Laura Cozzi**, Chief Energy Modeller at the International Energy Agency

The summit offered several key insights on the way forward. Speakers and audience members said, for instance: that EU and national policymakers must capitalise on the speed and solidarity shown in response to the Ukraine crisis to develop Europe-wide climate action. EU coordination is needed to help member states speed up permitting processes for clean energy infrastructure. Industry needs incentives and structures from both public and private investors to bring actions in line with public climate change policies. The EU and industry should focus on deploying low-carbon technologies that are already on the market and offer huge emission reductions in sectors such as buildings. Public and private investors must consider the emissions reduction potential of all new and emerging clean technologies at an early stage and remain mindful that costs can fall quickly. Some degree of EU-level intervention could help bring energy prices closer to the costs of long-term production and reduce market volatility, in part by rethinking market design. Energy producers and policymakers should make it easier for consumers to undertake the behavioural changes needed to cut household emissions and energy use.

## Feeding the world sustainably

A Friends of Europe event in September encouraged holistic thinking about the food chain. Participants were invited to explore ways in which the EU can enable a more resilient and independent agri-food system for citizens, while achieving a sustainable and just transition to climate neutrality.

Some 99% of the food and drink sector consists of SMEs. Event speakers and participants agreed that these companies need to work towards sustainability at a reasonable pace. Participants shared the perspective that the transition towards sustainable food systems must continue, despite the pressures of rising energy and food prices.

“ No one can doubt the considerable consensus that our food system is economically, socially and environmentally unsustainable

**Faustine Bas-Defosse**, Director of External Impact at the Institute for European Environmental Policy

Every stakeholder, from EU institutions to national member states, from the private sector to academics and NGOs, shared their support for the EU's Farm to Fork Strategy and the Green Deal as key building blocks of the transition towards sustainable food.

The importance of further collaboration among all stakeholders was stressed. Further suggested areas of focus moving forward and of particular relevance to a Renewed Social Contract included: putting in place an EU structural system to tackle crises efficiently across borders; stimulating the digital transition in the agricultural sector, as well as in the food and drink sector; and finding the right incentives to encourage industry to change, while promoting actions such as VAT reductions or exemptions to support the less wealthy.

## Citizens at the centre

A Renewed Social Contract must be built for and with citizens. A series of panel debates gave these citizen voices chance to be heard.

Headline topics of concern to citizens included the role of natural gas and nuclear energy in the transition to green energy and whether the EU can achieve energy sovereignty or have an ethical energy policy. There was disagreement over the ideal EU energy mix. As one citizen said: “We are just cutting the branch of the tree we sit on by closing nuke stations, fighting cheap gas.” Another commented: “Those who think gas or nuclear should be part of a transition simply don’t understand principles of ecological sustainability, nor the urgency of the matter.” Food waste, water use and public transport were also debated by citizens around Europe.

A focus group report in the middle of 2022 asked for ideas from 100 citizens across 22 European countries. Participants felt that the climate crisis is now clearer than ever. There was disagreement over how much influence individuals can have on carbon emissions. Few participants believed that governments listen to citizens when it comes to climate issues.

## Conclusion

No easy answers emerged from a year of conversation with EU citizens, policymakers and other stakeholders. There was, however, agreement that a range of cross-society initiatives are urgently needed in the face of the climate crisis. These range from using revenue from the ETS to help manage social aspects of the energy crisis, to developing EU and national incentives for industries to bring their actions in line with public climate change policies, to stimulating the digital transition in the agricultural sector, and to ensuring that women and people from diverse backgrounds are more involved in the development of innovative technologies.

At the same time, as conversation with young citizens in particular showed, their lack of trust in the current leadership in Europe is clear. Both governments and industry are felt to be ignoring the concerns of citizens or acting too slowly in the face of a global climate crisis.

A Renewed Social Contract is, therefore, an opportunity to unite Europeans through a whole-of-society approach to fighting climate change, with clear benefits for citizens.

Conclusion

## Conclusion

“ This is the time to kill old taboos, to dare, to question what we have done in the past and to think about doing things fundamentally differently

This quote from a senior policymaker resonated throughout our work in 2022.

No easy answers emerged from a year of conversation and debate with EU citizens, policymakers and the private sector. There was, however, agreement that a range of cross-society initiatives are urgently needed in the face of multiple crises across climate, health, security and digitalisation.

Solutions range from using revenue the Emissions Trading System (ETS) to help manage social aspects of the energy crisis; to developing EU and national incentives for industries to bring their actions in line with public climate change policies; from stimulating the digital transition in the agricultural sector; to ensuring that women and people from diverse backgrounds are more involved in the development of innovative technologies.

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The EU should encourage member states to help consumers improve energy efficiency and reduce their energy demand. “This is an area where we are completely off track”.

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A Renewed Social Contract is, therefore, an opportunity to unite Europeans through a whole-of-society approach to be more resilient, prepared and share greater responsibilities for managing and responding to multiple and parallel crises with clear benefits for citizens.

Social problems facing society existed long before the internet, but Europe was too slow to prepare for malicious online activity. The EU, the private sector and the rest of society must now work quickly to develop a new social contract to allow for digitalisation and a changing world.

“ Where innovation happens matters – for jobs, resilience and economic growth, as well as to patients and healthcare systems across the EU

**Cristian Silviu Buşoi**, Chair of the European Parliament's Committee on Industry, Research and Energy (ITRE)

We learned that the EU is well placed to face this challenging situation both by learning from past mistakes and by sharing best practice. Climate change has taught Europe of the need to react swiftly and sustainably in response to international challenges, with many of the most inspiring examples of climate leadership having an EU origin. The EU approach of negotiating through consensus can and should also be translated to international efforts to develop and protect values online and in space.

“ We are taking care of our planet. We also need to care about what is happening in spacey

**Elodie Viau**, Director of Telecommunications and Integrated Applications at the European Space Agency (ESA)

Our debates reflected that the EU is a strong role model for democratic digital societies. The Conference on the Future of Europe was a good example of direct online citizen participation, promoting participative and deliberative democracy through a mainly digital exercise. There was an overwhelming view in all our debates that this approach should be mainstreamed, and the infrastructure established should be a new way to stimulate citizen engagement, deliberation and greater involvement in decision-making across Europe.

Recommendations on digitalisation and wider social issue included encouraging private sector investment in innovative technologies, thereby promoting new leadership; exerting EU influence in humanising early metaverse coding programmes and identifying opportunities to develop and export EU digital services, thereby reframing Europe's role in the world as a digital leader; engaging civil society to determine priorities for international partnerships and cyber-defence; and developing a granular, tailored approach to counter propaganda and misinformation.

Our spotlight on health data revealed that pollutant exposure is responsible for an estimated 10% of all cancer cases in Europe, the majority of which are preventable.

We also heard from practitioners and providers of health on the need to re-focus on extending healthy life years rather than extending life expectancy, and the need to keep people well so that more intensive health care can be used when it is most needed. A clear conclusion was that more engaged citizens are key for the future of our health systems.

“ It’s cost-effective to focus on prevention. We are investing in our public health

**Dr Hans Bruyninckx**, Executive Director of the European Environment Agency

“ A healthier European Union is a better European Union

**Brando Benifei MEP**, Co-Chair of the MEP Heart Group

Across all our activities, we heard that a Renewed Social Contract must provide a safe and secure environment to allow citizens to flourish. Geopolitical challenges, hostile foreign and domestic autocratic actors, health threats and climate emergencies are among the major challenges facing Europe and the world. Rapid advances in technology are part of the modern landscape. Appropriate policies and legal instruments are needed to ensure that technology works for society rather than becoming weaponised. A strong and reliant European defence is needed to protect democratic interests.

Some overarching themes emerged from the work this year: equity, innovation, cross-sector partnerships, creative investment, foresight and prevention-based policy development. Most importantly, actively placing citizens at the heart of policymaking can drive future ownership of and discussions on how to shape a robust, sustainable Renewed Social Contract.

## Friends of Europe

Connect. Debate. Change.

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Friends of Europe is a leading think-tank that connects people, stimulates debate and triggers change to create a more inclusive, sustainable and forward-looking Europe.

