

# **“Global Governance: An Agenda for Europe”**

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Bruegel published **Bruegel Policy Brief 2006/07 “Global Governance: An Agenda for Europe”** at a Press Briefing on Monday, December 18 at 10:00am. The brief calls for the European Union to propose and initiate reforms of the system of multilateral rules and institutions that govern the global economy, without delay.

Governance of the global economy is becoming a pressing matter: WTO global trade negotiations have been suspended; the IMF and World Bank are struggling to adapt to the new realities of the global economy; Kyoto is still rejected by the US and major emerging economies, and there is no effective international response to the shifting supply and demand patterns for fossil fuels and natural resources. This situation is compounded by the growing number and diversity of players in the global economy.

There are alternatives to a world economic system governed by global rules and institutions: national leadership; self-organisation by markets; and regionalism. However governance by rules and institutions offers more security, gives a voice to all countries big and small, and provides a basis for dealing with new issues as they emerge.

Europe is now in a position to take a leading role. Not only is it in Europe’s interest to reform the global governance system, but it also has the experience necessary to do so. The vacuum created by the seeming reluctance of the US to drive the agenda forward could be filled by the European Union. However, the EU is unlikely to be successful unless it makes changes both to its own internal governance as well as the way that Europe is represented in international forums.

There are choices for Europe and making the correct choices relies on clarity of vision, but also on the Europe’s ability to deliver external influence.

The authors call for:

- Initiatives. Procrastination is a losing strategy.
- Leadership. The EU can no longer hide behind the US. It should indicate willingness to take its share of global responsibilities and build on this commitment to initiate a renewed dialogue with the US.
- Reform. The case for a single European or, more realistically, euro-area seat at the IMF is strong.
- A new architecture. There is a need for new principles in making regional agreements building blocks of the multilateral order.
- Reform of EU decision-making. The current framework, as it results from the Nice Treaty, does not combine the features of efficiency and legitimacy that are called for to address today’s and tomorrow’s global challenges.

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The full policy brief can be downloaded by clicking on this [link](#).

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