

ANNEX III

RATIONALE AND CONTEXT OF THE CALL

European integration has historically been linked to the ability of European states to address jointly challenges which, by virtue of their scale, exceed the capacity of individual countries to act alone. From its origins, European integration has involved pooling resources, competences and capabilities with the aim of consolidating peace, stability and prosperity, while enhancing Europe's capacity to act on the world stage.

Economic integration is one of the fundamental pillars of this process. The creation of the common market and, subsequently, the Single Market, the Economic and Monetary Union and the euro represented decisive advances in the construction of an integrated European economic area. At the same time, successive economic and financial crises have highlighted both the strength of integration and the limitations of a European architecture which, in certain areas, did not yet have sufficient instruments to respond collectively, swiftly and effectively to situations of major impact.

The euro area financial and sovereign debt crisis was a particularly significant moment. In this context, Mario Draghi's leadership as president of the European Central Bank made a decisive contribution to preserving the stability of the single currency and strengthening confidence in the European project. The jury of the Carlos V European Award recognised his ability to address one of the greatest crises experienced by the Union, his defence of the strength of the euro and the independence of the ECB, as well as his capacity for foresight, dialogue and the pursuit of solutions in the service of a united Europe.

Mario Draghi's career therefore provides a particularly significant starting point for reflecting on the relationship between economic governance, institutional capacity, decision-making and the European integration process. The recognition conferred by the Carlos V European Award also highlights the ethical dimension of economic governance and the need to place European principles at the heart of decisions affecting the future of the Union.

It is against this backdrop that the contemporary debate on European strategic autonomy has emerged. Growing economic and geopolitical competition, the transformation of global supply chains, dependencies on critical raw materials and technologies, energy security, the digital revolution, the green transition and changes in the international order have broadened the meaning of European autonomy.

Strategic autonomy should not be understood solely in terms of security and defence. It also encompasses the Union's ability to maintain and develop industrial, technological, energy, financial and trade capabilities that enable it to define its interests, reduce excessive vulnerabilities and act effectively in an increasingly competitive and uncertain international environment.

In this context, European competitiveness is of central importance. Productivity, innovation, research and development, investment, access to capital, the strength of the Single Market, access to energy, technological capabilities and human capital are essential elements in ensuring Europe's prosperity and capacity to act.

Mario Draghi's report on the future of European competitiveness has helped to place these challenges at the heart of the European debate, highlighting the need to increase productivity and investment, close innovation gaps, make progress on decarbonisation and digitalisation simultaneously, and strengthen Europe's industrial and technological capabilities. The debate sparked by these proposals also raises fundamental questions about the ability of Member States and European institutions to mobilise resources, coordinate policies and take common decisions on the scale required.

Competitiveness, however, cannot be separated from the social dimension of the European project. Europe's ability to compete must contribute to quality employment, social and territorial cohesion, social protection and citizens' well-being. The economic, digital and green transitions create opportunities, but also entail costs and risks that must be addressed through European policies capable of combining innovation, competitiveness and social justice.

Strategic autonomy also depends on Europe's ability to mobilise public and private investment. The experience gained during recent crises, including European financing and recovery mechanisms, has shown that the Union can move towards common instruments when circumstances require it. At the same time, these experiences have prompted debate about the need for European public goods, common financial mechanisms and sufficient resources to address challenges that no Member State can tackle on its own.

All of this inevitably leads to the question of European economic governance. The coordination of economic and fiscal policies, budgetary rules, financial supervision, the banking union and capital markets union, solidarity mechanisms and the financing of strategic investment are all part of a complex system that is constantly evolving. Its effectiveness depends not only on the instruments available, but also on the ability of European institutions and Member States to reach agreements and implement them.

The question of decision-making is equally essential. The European Union combines different procedures and levels of decision-making, involving the European institutions, European consultative bodies and the Member States. Unanimity can provide safeguards in particularly sensitive areas, but it can also hamper swift and effective responses when interests diverge. Qualified majority voting, enhanced cooperation and other forms of differentiated integration may offer alternatives, while also raising questions of legitimacy, cohesion and institutional balance.

In this context, the idea of "pragmatic federalism" is of particular interest: a conception of European integration aimed at deepening common action where it provides clear added value, enables shared challenges to be addressed more effectively and strengthens Europe's capacity to act, without requiring complete uniformity among the Member States. This

approach invites consideration of how greater European capacity can be combined with respect for national, regional and territorial diversity.

The debate on European strategic autonomy and competitiveness is therefore closely linked to the future of the integration process. A Union with greater economic, industrial, technological and financial capabilities also needs appropriate institutional and democratic mechanisms to exercise them. The question is not simply one of having more resources, but of determining how decisions are taken, who is politically accountable for them, and how their legitimacy and accountability are ensured.

The democratic dimension is particularly relevant. Strengthening the Union's capacity to act must be pursued in accordance with the values enshrined in the Treaties: democracy, the rule of law, fundamental rights, equality, solidarity and respect for diversity. European strategic autonomy can only be sustainably consolidated if it enjoys citizens' trust and if common decisions are perceived as legitimate, transparent and geared towards the European general interest.

Education, research, innovation and training are likewise fundamental components of this autonomy. The ability to develop technologies, generate knowledge, attract and retain talent, and educate and train future generations will largely determine Europe's future position. In this regard, young people are particularly important, as their participation and preparation are essential to ensuring the continuity and renewal of the European project, an aspect expressly highlighted by the jury of the Carlos V European Award in recognising Mario Draghi's career.

Strategic autonomy must also be considered from an international perspective. The transformation of relations between the major powers, technological competition, new trade dynamics, energy issues and geopolitical tensions require the Union to strengthen its capacity to act, while maintaining its commitment to multilateralism, international cooperation, the rule of law and a rules-based international order.

The central question addressed by this call can therefore be formulated as follows: how can the European Union strengthen its capacity to take decisions and act collectively in an increasingly complex international environment, enhancing its competitiveness and strategic autonomy without losing the diversity, democratic legitimacy and values that underpin the European project?

Building on this question, this call seeks to promote multidisciplinary academic research examining the economic, political, institutional, legal, social and geopolitical transformations that shape the future of the European Union. It aims to encourage studies that, from both historical and contemporary perspectives, contribute to understanding the challenges of European competitiveness, strategic autonomy, economic governance, decision-making mechanisms and possible avenues for deepening integration.

In keeping with the spirit of the Carlos V European Award, the research should contribute to the debate on how to build a Europe that is more competitive, resilient, capable of acting, democratic, committed to solidarity and cohesive, while strengthening its capacity to



address the major challenges of the 21st century.