



## Agreements between Europe and USA after political election on 2024 looking at Mario Draghi' competitiveness proposal

Acordos entre a Europa e os EUA após as eleições políticas de 2024 olhando a proposta de competitividade de Mario Draghi

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### Abstract

The paper is discussion research aiming to underline a few economic strategy elements of possible agreement and conflict between Europe and the USA after the European Union parliament and executive council election. Donald Trump was elected in November as the 47th president of the USA with a changing international and national economic agenda. Thus, the next year, the Western block must decide how to face the opposition of the world leadership led by China and Russia and the BRICS block. The paper focuses on economics. The result is more agreements than conflicts, especially about competitiveness, energy cost reduction, and military defense. However, politics will be interested more in social and welfare concerns. The concluding remarks of the paper will explain that Western growth is possible even in competitiveness supported by financial and great corporation growth despite the evidence of the strong economic power of BRICS. Politics in the USA and EUROPE will be attacked internally by political opposition claiming more welfare and environmental protection. That attitude will weaken the international competition with BRICS. On the other side, BRICS' lack of transparency and democracy will always be seen as a threat and will continue to struggle. Finally, part of Asia, while Africa and part of South America will not have a voice in this competition.

**Keywords:** Europe. USA. BRICS. Economic competition. Productiveness.

### Resumo

O artigo é uma pesquisa de discussão que visa sublinhar alguns elementos de estratégia econômica de um possível acordo, mas também o conflito entre a Europa e os EUA após a eleição do parlamento e do conselho executivo da União Europeia. Em Novembro de 2024 foi reeleito Donald Trump Presidente dos EUA com uma agenda econômica internacional e nacional em mudança. Assim, em 2025, os dois blocos ocidentais terão de decidir como enfrentar a oposição da liderança mundial liderada pela China e pela Rússia e pelo bloco BRICS. O documento centra-se na economia, mas o resultado é que, embora haja mais acordos do que conflitos, especialmente sobre competitividade, redução de custos energéticos e defesa militar, a política será fortemente impactada por preocupações sociais e de bem-estar. As observações finais do artigo explicarão que o crescimento ocidental é possível mesmo

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na competitividade apoiada pelo crescimento financeiro e de grandes corporações, apesar da evidência do forte poder económico dos BRICS. Além disso, a política nos EUA e na EUROPA será atacada internamente por oposições que reivindicam mais bem-estar e proteção ambiental, o que enfraquecerá os a competição internacional com os BRICS. Por outro lado, a falta de transparência e de democracia dos BRICS será sempre vista como uma ameaça. Parte da Ásia, enquanto a África e parte da América do Sul não terão voz nesta competição de produtividade.

**Palavras-chave:** Europa. EUA. BRICS. Competição económica. Produtividade.

## 1. Introduction

The globalization world after the Cold War is dominated by the economic struggle between the USA, Europe, and BRICS or emerging countries. World economic leadership is a dramatic competition where two economic superpowers are the main actors: the USA and China. The discussion is polarized on the economic and political struggle between “Western” countries (USA and Europe) and BRICS (Brazil, Russia, China, and South Africa) and allies. Blocks or single alliances and the alliance between some Nations are fluid and impact that competition.

The paper is a discussion paper that aims to analyze September 2024 Mario Draghi's European (DRAGHI 2024a, 2024b) competitiveness proposal just before the European political elections. We guess Mario Draghi proposal was an attempt to receive a political or executive charge in Europe. However, after the result of USA presidential elections in November 2024, the main question we discuss is if is possible to reconsider the proposal by answering what are the key productiveness suggestions for Europe and what is the scenario after November 2024. Are the main points of Draghi proposal still interesting or feasible if there is a European possible accepted strategy in the future?

The paper justifies itself because the global political context impacts world economic and innovation strategies. USA and Europe, in 2025 will present a new political approach and economic strategies due to democratic changes when China and Russia, the main opposition to USA and European world leadership, will not change the top executive and their main objectives to assume world leadership.

## 2. Methodology

The paper is a discussion paper. The discussion papers method is used in academic, policy, and research contexts, written documents that explore a specific topic, issue, or question in a detailed yet preliminary way to stimulate debate, share early findings, or provide an analysis of a particular subject. The aim is to present preliminary research findings or ongoing research. The discussion focuses on data analysis and the interpretation of results.

The discussion is limited because social inclusion and skills development included as context into the proposal as a fixed variable must be, in our point, main European strategy actions before developing economic and competitiveness policies and not the other way round as claimed in the proposal. Thus we don't analyze the proposal's weaknesses technically (method and strategy) and globally, but only consider the suggested economic strategy as a European possible way to reach an agreement or to conflict with the USA, only analyzing competitiveness.

The paper is structured into sections. The first explains the competitiveness context, the second analyzes Europe's competitiveness and industrial strategy, the third Draghi's proposal as a European strategy, and the last section resulting scenario.



Europe about who wants to turn green. To counter this, the EU has introduced several initiatives, including the European Green Deal and the Net-Zero Industry Act, aimed at boosting Europe's competitiveness in clean technologies like solar and battery manufacturing. However, China dominates in these areas, particularly in electrolyzer manufacturing, which could further tighten the competitive gap (DRAGHI 2024a). On the other side, China's industrial manufacturing is one of the major sources of world pollution<sup>3</sup>.

About manufacturing and value chains Europe has traditionally excelled in manufacturing and high-end engineering. However, China's vertical integration in global supply chains has allowed it to rapidly increase its market share in several manufacturing sectors, overtaking the EU in electronics and textiles. This shift, alongside China's investment in R&D, has made its export products increasingly competitive, challenging Europe's historical strengths (BRUEGEL 2024)

The main global political impact in 2024 is the re-election of Donald Trump as President of the USA which is formally leading the Western world facing Asiatic raise. Donald Trump's strategy is expected to continue prioritizing his America First agenda, with a focus on protectionism, deregulation, and trade restrictions. Trump's approach during his first term centered on reducing reliance on foreign imports, particularly from China, and promoting American manufacturing through tariffs and trade wars. Trump is expected to promote further deregulation in sectors like energy and manufacturing, aiming to boost traditional industries like oil, gas, and coal while scaling back green energy initiatives<sup>4</sup>.

On the international front, Trump's strategy will likely continue to involve a more adversarial stance toward China, particularly in the areas of technology and military competition. His administration's policies in this regard could heighten tensions with Beijing, especially over issues such as intellectual property theft, technology transfer, and military presence in the Indo-Pacific<sup>5</sup>.

Additionally, Trump's push for energy independence, including greenlighting more domestic energy projects, would aim to make the U.S. more competitive on the global stage. This is likely to be accompanied by efforts to reduce America's reliance on multilateral agreements, such as those related to climate change while focusing on bilateral deals that prioritize U.S. interests. Thus, the overall thrust of Trump's economic strategy will likely revolve around enhancing U.S. competitiveness through protectionist measures, deregulation, and aggressive trade tactics, with a strong focus on reshaping global trade dynamics to favor American businesses.

Following McKinsey (McKinsey 2024), the struggle between Europe and the USA about competitiveness in terms of global competitiveness is expected to intensify due to several key challenges and evolving policy approaches.

**Energy and Industrial Policy.** One of the major struggles will be in the energy sector. Europe faces higher energy prices compared to the U.S., putting European businesses at a competitive disadvantage, especially in energy-intensive industries.

**Modern Diplomacy:** the U.S. has responded with initiatives like the Inflation Reduction Act, which offers significant subsidies to domestic energy and clean-tech industries, further tilting the balance in favor of U.S. companies

Europe's response has included measures like the Green Deal Industrial Plan, but overcoming energy cost disparities remains a critical hurdle Atlantic Council.

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<sup>3</sup> <https://www.who.int/china/health-topics/air-pollution>

<sup>4</sup> <https://www.thomsonreuters.com/en-us/posts/government/trump-economic-regulatory-implications/> and <https://www.reuters.com/world/us/factbox-what-trump-20-would-mean-trade-migrants-climate-change-electric-cars-2024-11-06/>

<sup>5</sup> <https://www.hbs.edu/bigsh/how-the-2024-election-will-shape-the-united-states-china-relationship>

**Regulation vs. Innovation:** Europe has long prided itself on maintaining strong regulatory frameworks to ensure fair competition, sustainability, and consumer protection. However, these regulations, while important, are increasingly seen as a barrier to innovation, especially when compared to the U.S., where a more deregulated approach has fostered rapid growth, particularly in the tech and finance sectors. Europe is taking steps to streamline its regulatory environment, such as creating a single rulebook for businesses to reduce bureaucratic burdens, but whether this will be enough to match the scale and agility of U.S. companies remains uncertain Modern Diplomacy.

**Technological and Digital Competitiveness:** The U.S. is ahead of Europe in terms of both tech innovation and the scalability of startups. In 2022, European companies generated far less revenue per firm compared to their U.S. counterparts, highlighting the struggle in creating unicorn companies. The U.S. has also been able to leverage its larger, more centralized financial system, enabling quicker scaling of new industries (McKinsey & Company) Europe's fragmented markets and complex regulatory environment make it harder to achieve the same scale in sectors like AI and clean tech EconPol Europe.

**Trade and Protectionism:** The U.S., particularly under leaders like Donald Trump, has shown a tendency towards protectionism, aiming to bring manufacturing back to the U.S. through tariffs and incentives for domestic production.

**Geopolitical Competition:** Geopolitically, the EU and the U.S. share common values and interests, but competition with China and other emerging markets will increasingly force them to choose between collaboration and rivalry. Europe's attempts to regain competitiveness will likely include stronger coordination among EU member states and efforts to reduce dependency on global supply chains, particularly with China.

In conclusion, the future competitiveness struggle between Europe and the U.S. will be shaped by energy policies, regulatory frameworks, technological innovation, and trade dynamics. Europe's challenge lies in overcoming internal fragmentation and finding ways to scale up its industries to match the U.S. and China in an increasingly protectionist global market.

### **3.2. European Strategy on competitiveness**

The European Union's strategy for boosting its global competitiveness centers on several key areas aimed at fostering innovation, reducing structural weaknesses, and strengthening its economic resilience in the face of challenges from other global powers like the U.S. and China. This approach has evolved into a comprehensive framework that integrates economic, digital, and energy transitions. Here are some points of the European strategy from the European Commission internet site<sup>6</sup>.

**Capital Market and Investment:** A critical component of the EU's competitiveness strategy is improving access to businesses capital, particularly through the completion of the Capital Markets Union (CMU). By harmonizing national rules and strengthening oversight, the EU aims to increase private sector funding for innovation and growth (European Commission)

**Energy Independence and Affordability:** Energy costs remain a significant issue for Europe's industrial competitiveness. The EU has taken substantial steps to address this, including investing in clean energy and infrastructure, with a focus on reducing dependency on imported fossil fuels. Energy independence is being pursued through

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<sup>6</sup> [https://commission.europa.eu/topics/strengthening-european-competitiveness\\_en](https://commission.europa.eu/topics/strengthening-european-competitiveness_en)



increased LNG supply, renewable energy investments, and improvements in energy storage and distribution (European Commission)

**Workforce and Skills Development:** The EU recognizes that labor shortages, particularly in high-skill areas such as digital and cybersecurity, are barriers to growth. To address this, the EU is investing in workforce training and reskilling, with a particular focus on youth employment, women's participation in the labor market, and attracting talent from outside Europe

**Digital Innovation and Infrastructure:** The EU is prioritizing digital transformation, with investments in technologies like AI, supercomputing, and cybersecurity. The Digital Decade initiative includes a significant €150 billion investment in these areas, along with new regulatory frameworks such as the AI Act, aiming to position Europe as a global leader in ethical technology (Noerr 2024).

**Trade and Global Competitiveness:** Europe continues to push for open and fair global trade, while also introducing measures to protect its industries from unfair competition. This includes implementing trade defense tools, expanding bilateral trade agreements, and ensuring that European industries have the ability to compete on a global scale.

### *European Commission*

In summary, the EU's strategy to enhance competitiveness focuses on fostering a more integrated, innovative, and sustainable economy. By addressing energy costs, investing in digital infrastructure, and improving labor market flexibility, Europe aims to enhance its position in the global economic order. However, challenges such as the need for more unified industrial policies and the effects of protectionist measures from global competitors remain key areas of concern (Scott Morton, F. 2024a).

### **3. European Competitiveness strategy DRAGHI's Proposal**

After the launch of Draghi proposal in September 2024, reactions the document *The Future of European Competitiveness* has drawn considerable attention across Europe, sparking varied reactions among policymakers, businesses, and experts. In part A there are a context introduction and three issues to be solved: 1) need to accelerate innovation and find new growth engines, 2) bring down high energy prices while continuing to decarbonise and shift to a circular economy, react to a world of less stable geopolitics, where dependencies are becoming vulnerabilities and 3) it can no longer rely on others for its security (DRAGHI 2024a).

The proposal is divided into part A and part B (details) but lack of methodology because there is no explication of the proposal model and method, and it is a long list of objectives, figures and graphs shown to demonstrate the suggestions made. As strategy technical paper it has a less importance than the political message from the former ex-president of the European Central Bank. But the discussion here is not to assess technically and politically Draghi's report, but to borrow some orientations and discuss the likely struggle between world superpowers.

The document titled "The Future of European Competitiveness – Part A" explores strategies for enhancing Europe's competitiveness amidst evolving economic, technological, and geopolitical challenges. Key highlights include:

-Economic Landscape: Europe's strong governance, education, and social systems provide a foundation, but slow productivity growth threatens its goals of social inclusion, carbon neutrality, and global relevance. Productivity lags behind the U.S., particularly in tech-driven sectors.

### -Three Transformations:

**Innovation:** Europe must close its innovation gap by fostering advanced technologies like AI, quantum computing, and clean tech. Weak commercialization pipelines and fragmented capital markets hinder growth.

**Decarbonization:** High energy costs and dependency on fossil fuels highlight the need for a unified decarbonization strategy, leveraging clean energy and sustainable industrial practices.

**Geopolitical Security:** Increased focus on reducing dependencies in critical areas like defense and technology to navigate rising global tensions.

**Key Barriers:** Challenges include regulatory fragmentation, lack of coordinated funding, and insufficient scale in innovation sectors. Europe trails in developing critical tech infrastructure, such as 5G and AI capabilities.

### -Strategic Actions:

**Closing the Innovation Gap:** Boost R&I funding, integrate markets, and streamline regulations to support tech scalability and commercialization.

**Energy Transition:** Align policies for low-cost, sustainable energy solutions and support industries critical for decarbonization. **Security and Independence:** Develop industrial policies to strengthen defense capacities and secure supply chains for strategic resources.

**Governance and Investment:** Proposals include enhancing EU-wide coordination, reforming governance structures, and increasing investment in critical infrastructure and skills development.

The conclusions of "The Future of European Competitiveness – Part A" emphasize a comprehensive strategy to ensure Europe's sustainable competitiveness amid global challenges.

The detailed part B suggests some detailed Key points that are (DRAGHI 2024b):

- Closing the Innovation Gap: Europe needs to improve its capacity for breakthrough innovations, especially in digital and clean technologies. Recommendations include doubling the EU's Framework Programme for R&I budget, focusing on disruptive technologies, and creating a Research and Innovation Union for better coordination.

- Energy and Decarbonization: High energy prices pose risks to Europe's industry, making cost-effective decarbonization critical. Proposals include developing competitive clean tech sectors, introducing industrial plans like those for automotive electrification, and enhancing energy supply chain resilience.

- Strengthening Security and Reducing Dependencies: Europe faces vulnerabilities due to dependencies on external resources, technology, and defense capacities. Plans include fostering defense-industrial autonomy and establishing partnerships to secure raw materials and critical technologies.

- Economic Policy Integration: Enhanced coordination across Member States is vital for implementing competitiveness strategies. Establishing a Competitiveness

Coordination Framework would streamline governance and align funding with EU-wide priorities.

- Governance and Simplification: The EU must reform its legislative processes to act more decisively, including extending qualified majority voting and simplifying regulatory burdens.

- Social Inclusion and Skills Development: Innovation and technological transitions must be inclusive, protecting social cohesion through robust welfare policies and upskilling initiatives. Ensuring broad participation across regions in the innovation economy is essential to balance growth and equity.

- International Trade and Partnerships: the EU must adapt to shifting global trade patterns by using strategic trade measures and strengthening bilateral agreements.

Several articles have analyzed Mario Draghi's Future of European Competitiveness report published in September 2024. The report outlines various strategies for enhancing Europe's economic resilience, technological leadership, and sustainability. (CEPS 2024, BUTI e MESSORI 2024, SCOTT MORTON 2024b, SCOTT MORTON 2024C)

There was European positive reception by industry leaders and policymakers view the report as a comprehensive roadmap to bolster Europe's competitive standing globally. For instance, the energy sector has praised its detailed focus on creating a true Energy Union to address high energy costs, which are a significant competitive disadvantage for European industries European Commission <sup>7</sup>.

Ursula von der Leyen emphasizing the alignment of the report's principles with the EU's long-term strategy for a green, competitive, and circular economy. However, challenges remain in reconciling national interests, particularly with issues like joint EU borrowing and energy policy implementation. Proposals to streamline innovation funding and develop a coordinated industrial policy have been welcomed, with Ursula von der Leyen emphasizing the need to integrate these recommendations into the EU's forthcoming industrial strategy.

Moreover, some Challenges and Criticisms arised. Some experts express concerns over the feasibility of implementing Draghi's proposals, citing potential resistance from member states due to differing national interests. Coordination across diverse industries and policies remains a significant hurdle <sup>8</sup>. The report's recommendations on revising merger controls and fostering "European champions" have sparked debate. While proponents argue these measures are necessary to compete with US and Chinese giants, others worry they may compromise market competition (CEPS 2024, BUTI e MESSORI 2024, SCOTT MORTON 2024b, SCOTT MORTON 2024C)

The focus on reducing administrative burdens for sustainability reporting has been praised for addressing concerns of small and medium-sized enterprises (SMEs), which face high compliance costs under existing EU frameworks. Draghi emphasizes the critical role of research and innovation (R&I), proposing the establishment of a "Research and Innovation Union" to close the innovation gap with the US and China. This would be facilitated by a coordinated EU-wide R&I action plan, leveraging cross-

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<sup>7</sup> [https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead\\_en](https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en)

<sup>8</sup> <https://www.euronews.com/my-europe/2024/09/20/draghis-landmark-eu-report-slammed-as-one-sided>



border collaborations between governments, research bodies, and private stakeholders (DRAGHI 2024b).

The energy sector also receives significant attention, with Draghi advocating for a more integrated EU energy market to address high energy costs and reduce dependence on external suppliers. This aligns with his broader push for economic sovereignty, which suggests centralizing certain investments and fostering strategic autonomy, especially in digital and green technologies (DRAGHI 2024a).

Critics highlight that while the report presents many ambitious and novel proposals, its feasibility is questioned. For instance, some policymakers, such as German Finance Minister Christian Lindner, have rejected ideas like joint borrowing for EU-wide investments<sup>9</sup>. Additionally, some of the proposals may face challenges due to the differing priorities and capabilities of EU member states.

Strategic Recommendations the report proposes a comprehensive overhaul of EU fiscal and regulatory frameworks to encourage innovation while ensuring social sustainability. The strategy defined argues that Europe should adopt a flexible regulatory environment that does not stifle market dynamism, but also warns against undermining the EU's regulatory standards (CEPS 2024, SCOTT MORTON 2024a)

One of the more practical steps includes reforming the EU budget to allow for more centralized funding for strategic initiatives like green and digital transitions, with the aim of enabling long-term investments in public goods that will secure Europe's competitiveness in global markets<sup>10</sup>.

### **3.4. Discussion results outcomes**

Is possible to summarize several points of interest in the discussion above. The U.S. and the EU are likely to develop several areas of agreement to bolster their global competitiveness, particularly in response to emerging challenges such as climate change, technological innovation, and supply chain resilience. The two regions have aligned interests in promoting a sustainable green economy, as seen in their shared focus on clean energy and carbon reduction goals.

For example, the U.S. Inflation Reduction Act (IRA) and the EU's Green Deal Industrial Plan both aim to incentivize green technologies, though they have raised concerns about potential competitive disadvantages. There is growing cooperation in this area, with both sides exploring mechanisms to align subsidies and regulations, particularly around electric vehicles and sustainable steel production.

Another area of cooperation is in technology and digital ecosystems. The U.S. and EU are working together through the U.S.-EU Trade and Technology Council (TTC) to set standards for emerging technologies like 6G, artificial intelligence, and cybersecurity. This collaboration aims to ensure that both regions remain competitive while fostering secure and interoperable global systems.

Trade relations will also be shaped by efforts to secure critical raw materials for green and high-tech industries. Although there are tensions around issues like carbon border adjustments and differing regulatory approaches, the EU and the U.S. have made progress toward agreements on critical minerals that would benefit both their automotive and clean-tech sectors.

Despite some disagreements, particularly regarding industrial policies and subsidies, there is clear intent on both sides to avoid zero-sum competition and to

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<sup>9</sup> <https://www.politico.eu/article/germanys-lindner-rejects-draghis-common-borrowing-proposal/>

<sup>10</sup> [https://cdn.ceps.eu/wp-content/uploads/2024/09/2024-07\\_A-CRITICAL-FIRST-RESPONSE-TO-MARIO-DRAGHIS-COMPETITIVENESS-REPORT.pdf](https://cdn.ceps.eu/wp-content/uploads/2024/09/2024-07_A-CRITICAL-FIRST-RESPONSE-TO-MARIO-DRAGHIS-COMPETITIVENESS-REPORT.pdf).

instead strengthen mutual resilience, especially through joint investments in infrastructure and technologies.

These include Energy Security and Decarbonization. Both Europe and the U.S. are focused on reducing energy costs and securing energy supply chains, especially in the context of decarbonization. Draghi advocates for Europe to lower energy prices by reinforcing energy procurement strategies and forming long-term partnerships with reliable sources, while the U.S. has similarly focused on domestic energy production to reduce dependency. Both regions will likely cooperate on advancing clean technologies, such as electric vehicles (EVs) and green steel, albeit with different approaches to subsidies and carbon pricing (The White House CRS Reports).

**Industrial Policy and Innovation:** Draghi stresses the need for a cohesive industrial policy to boost Europe's global competitiveness, recommending that the EU close the innovation gap through stronger public-private partnerships, investment in new technologies, and overcoming regulatory barriers. The U.S., particularly under Trump, has pursued a protectionist industrial strategy that involves reshoring manufacturing, prioritizing domestic innovation, and using tariffs to protect American industries. A convergence on this front could see both sides focusing on innovation and securing critical industries, such as semiconductor production.

Europe should reduce dependencies on external suppliers, particularly for critical raw materials, through strategic trade partnerships and stronger coordination with industrial and defense sectors. This aligns with Trump's "America First" agenda, which emphasizes securing supply chains and reducing reliance on China for critical technologies. While their methods may differ, both sides will likely focus on strengthening their industrial bases through trade protection and strategic autonomy.

Both the EU and the U.S. have placed an increased emphasis on strengthening defense industries, particularly in response to rising geopolitical threats. Draghi highlights the importance of Europe developing a more autonomous defense industry to counter vulnerabilities exposed by the war in Ukraine. The Trump administration also emphasized bolstering the U.S. military-industrial base, with similar concerns over dependence on foreign suppliers. The EU-U.S. defense sector collaboration, especially in high-tech areas like AI and autonomous defense systems, will likely be an area of growing convergence.

Focus on innovation, energy security, and strategic autonomy is aligned with key priorities in the Trump administration, especially in areas related to industrial policy, energy, and defense. However, differences in approaches—such as the EU's preference for multilateralism versus the U.S. focus on bilateral agreements—will shape the specifics of their cooperation.

However great concerns are outside the two blocks and in the European cohesion. The conflict between Russia and Ukraine is one of the issues that involve financial (aid) defense (industry) and Europe energy (Russia gas furniture). The cohesion is doubtful because the European Parliament and the single Nations are showing weak coalitions and a range of different political solutions in the great European players. Especially related to bilateral agreements and immigration problems Europe proposed a differentiated framework and no cohesion.

Brexit also weakened Europe. Great Britain has shown today little international interest in developing independence from Europe. In contrast, China and Russia are bonding more nations to Britain and are showing an aggressive attitude both industrial and military. It seems the BRICS coalition is more compact and determined to revert to Western leadership, so the USA with Trump will also be aggressive and work to maintain Western supremacy, even if the USA is willing to help Europe today.

#### 4. Concluding Remarks

It seems difficult for Europe to decide, in a short time, and before Trump's decisions, some economic competitive and productiveness strategies. The game will restart in 2025 after some months when the two blocks will have a new executive established. We guess that political variables and social issues will impact political decisions in Europe, and in the USA, the economic growth will be secondary. The Political coalitions in Europe will warn more political consensus driven by welfare issues (taxes, income transfer, health, etc.) (Darvas, Z., L. Welslau and J. Zettelmeyer 2024).

In sum single National narrow view as usual. The reality is that welfare in Europe and the USA is in discussion. That is not a problem of the opposite field (BRICS). In sum, international rules will be linked to internal cohesion in the different blocks. The USA seems to have a new strong leadership as China and Russia, but Europe does not.

We guess also Western social and environmental issues will be used by political oppositions to delegitimize government decisions, and this will help BRICS that are not so worried about social and environmental problems. It seems that Western politics, even economics, will have two fronts of trouble, external and internal. In such a configuration, the brutal power of money and market competition will overkill government political flexibility. Competitiveness is growing if the market is competitive without monopolies or market oligarchies. A powerful stimulus to competitiveness is free trade and international cooperation and not block conflicts on trade, tariffs, currency executive will develop as policies.

However, industry and innovation could grow internally to solve energy problems (find ways or praise to reduce energy demand and pollution) and also military and technology innovations in a "muscle" confrontation. So, again, great corporations and a few technology corporations have resources and will have opportunities to grow. In that sense, the financial market, which actually leads to buying Western and Euro-dollar will finance and grow with great Western corporations attracting also OPEC dollar surplus and avoiding any attempt to other BRICS elevated currencies to substitute it.

Leaving the USA and Europe and looking at the world competition, in the BRICS the oligarchy and the lack of transparency will always be the great obstacles to winning a battle against Westerns (even if Westerns show difficulties to be definitely transparent) because nobody will trust democracy and freedom in BRICS, especially in the economic and financial field. To win the competition, the BRICS must change executive and politics and become more Western, as Japan did after the Second World War. However, democratization and westernization seem difficult for China, Russia, and the other BRICS countries, including the ones associated last year. The reality is that BRICS seems more like a coalition of authoritarian scaring than populism.

As a final global consideration, Africa, part of Asia, and South America, a great part of the land and population of the world, are excluded in the competition and in international political decisions. As was shown in Figure 1 in the beginning, the gap between GDP from little to great players is huge. Thus, in our view, economic competitiveness and globalization will be discussed in the same theatre as usual between blocks that are defending only elites, the political or great corporation owners, and not the people's growth, freedom, and equality to have a better world for all. Competitiveness is a fake problem that aims to force people to believe that money and the economy are the main world problems and not the overpopulation and unequal distribution of wealth and resources.

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