

THE AUGUR PROJECT PRESENTATION

The AUGUR project assessing the “Challenges for Europe in the World of 2030” is an international collaborative research project which started in October 2009 as a response to a 7th Framework Programme (FP7) call issued by the DG Research of the European Commission.

Coordinated by Pascal Petit, senior researcher in economics for the French National Center for Scientific Research (CNRS) and attached to the CEPN (Centre d’Economie de Paris Nord), this research project has been realised by a consortium of seven European institutions:

- The CNRS (in collaboration with Paris 13 University CEPN), Paris
- The Center for Financial Analysis and Policy, University of Cambridge
- The Center for Development Policy and Research, SOAS¹, University of London
- The Institute for Interdisciplinary Studies (ISMERI Europa), Rome
- The TIGER Institute², Kozminski University, Warsaw
- The Vienna Institute for international Economic Studies (WIIW), Vienna
- The Center for Research on the Environment and Development (CIRED), Paris

Research was organised along eight thematic work packages encompassing all fields of interest for the topic: a macro model of world regions (WP1), financial markets and international regulation (WP2), innovation and diffusion of technology (WP3), global development, demography and migrations (WP4), energy, primary resources and environmental challenges (WP5), international governance and regional economic integration (WP6), well being and living conditions (WP7) and political economy and politics (WP8).

The members of the steering committee of the project - Francis Cripps (Cambridge), John Eatwell (Cambridge), Jean-Charles Hourcade (Paris), Michael Landesmann (Vienna), Terry McKinley (London), Jacques Mazier (Paris), Pascal Petit (Paris), Jacek Tomckiewicz (Warsaw), Enrico Wolleb (Rome) - are the editors of the present final report which draws on a series of deliverables and background papers, which are listed in the annex at the end of the report and which can be accessed on the project website, www.augurproject.eu. Most of these background papers have been produced by researchers of the various centres involved in the project with a special mention for the cooperation of non-European research centres (in India, China, Brazil and South Africa) gathered within a specific Consortium of Emerging Economies.

The main goal of the AUGUR project was to assess the challenges that Europe will meet in a world of 2030 where a clear shift of power from the West to the East and the South will

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² Transformation, Integration and Globalization Economic Research

have occurred, as one could expect looking at the growth differentials which follow the liberalisation of trade and capital flows. A major caveat for the assessment of the effects of such a transfer of wealth is to account for the conditions set by the global financial crisis which began in 2008. This crisis rapidly turned into a severe economic crisis and led after a while to an open crisis of the Eurozone, which encompasses countries which are still very diverse in terms of competitiveness on international markets. In this context two key issues determine the future of Europe:

On one side, what will be the main features of global governance organising international relations? Trade, capital or knowledge flows? On the other side, how will European governance monitor solidarity and structural adjustments within the EU member states?

AUGUR has thus tried to match four assumptions on global governance with four assumptions on European governance. This framework of governance assumptions deliberately pays attention to the structuring role of “public” intervention in the working of markets. The diversity of resulting patterns that could thus occur in 2030 has been investigated along with various dimensions: economic, social, environmental, political in Europe and, broadly brushed, in the rest of the world.

In order to reach this ambitious objective in a comprehensive and consistent way, several types of quantitative and qualitative approaches have been combined: a model of macro regions of the world economy, an institutional perspective, and lessons from foresight studies. The macro-model (CAM) used for projections uses a databank with complete time series for 130 countries from 1970 to 2010 from which series are extracted to generate results for the world divided into between 10 and 20 geographical groupings or blocs that form the object of specific policy studies.

The final report presents the major findings of each work package, with a strong focus on policy implications. It is introduced by an executive summary which sets the project assumptions, especially on the future of Europe in the context of the current economic crisis and of the emergence of a new balance of powers in the global economy. Chapter 1 gives an overview of the articulation between global and European governance; Chapter II presents the macroeconomic figures of the various ensuing scenarios; Chapter III questions how some reregulation of finance could occur and with what effect; Chapter IV outlines the conditions that would prevail in the various scenarios in terms of trade and technology developments; Chapter V assesses the relative environmental sustainability of the various trajectories under view; Chapter VI specifies the employment conditions bound to appear in the various contexts; Chapter VII look at the well being dimension of the diverse scenarios; Chapter VIII finally checks to what extent the combination of the economic crisis and a new balance of power at world level can transform the political scenes in Europe.

Again, it should be emphasised that this report also draws on a whole set of background papers that can be accessed on the project website, www.augurproject.eu. Most of these works should also lead to publications which will enrich the debate around the challenges and policies for Europe in the world of 2030 to which the AUGUR project aims to bring a structured and relevant contribution.