

# FINAL REPORT: EUROPEAN CONFERENCE 2025

## EU AT THE CROSSROADS – CAN IT REBUILD STRONGER?

**MAY 28, 2025**

The yearly European conference that took place on May 28th 2025 in Bratislava discussed three topics currently dominating the EU affairs: EU's global role and position, EU's competitiveness in times of rising trade tensions and European defence.

In his opening keynote speech, the Slovak Deputy Prime Minister (PM) for the Recovery and Resilience Plan and Knowledge Economy Peter Kmec spoke about the ongoing effort of Slovakia to properly implement the reforms promised under the recovery plan in a timely manner. Kmec also anticipated potential changes in the future approach to the European funding and recommended to use the recovery's plan methodology for the upcoming Multiannual Financial Framework (MFF) starting in 2028, as according to him it strikes better balance between European and national priorities. On Slovakia's European policy, the Deputy PM reflected on the significant challenges that the European Union is currently facing and admitted that, while Slovakia is not blocking anti-Russian sanctions, it should try to contribute more often to common European solutions as the government nowadays is not very constructive and should show more dedication to our partners in the EU in this regard.

### **European Union has a great potential to be an influential global actor, but needs to clarify its strategy**

The EU has a number of strategies and defines quite well what it wants to do, but is still missing a clear vision of where we are heading to and what we want to be as a global actor.

It is the EU's duty to take care of and protect its neighbourhood, as well as to also define its relationships more clearly. Namely the transatlantic relationship with the United States needs to be revisited in this regard, as the shift away from American involvement in European security is nowadays a clear and also understandable American strategic choice.

Only after almost a decade since the introduction of the concept of European strategic autonomy, Europeans are starting to truly discover its necessity. Its translation into reality however requires clear rules and consistent implementation.

Not only European security, but also our capacity to sustain the project as such is nowadays at stake and should be prioritized by the EU leaders. While we see some political messaging and effort to provide a much-needed leadership for common European endeavour and strategy, in reality the capitals often fail to act as part of a broader European project.

European Union cannot afford to be afraid of losing its potential or its capacity for innovation. It needs to reclaim a leadership position in the multilateral system, as we are witnessing a return to spheres of influence and great power politics. The EU has the necessary means to do it; it is THE market where other powers seek influence and it also is an inspirational governance and institutional model.

Enlargement was identified as the EU's most effective foreign policy tool and a meaningful way of how to respond to global predators today. Importantly, integration of Ukraine is not only a political choice, but it is in Europe's direct security interest. We are even able to replace American support for Ukraine with a small increase on our side. Concerning the EU's relation to Ukraine, we back it in its defensive war, but our approach still corresponds to an externalization of our issues. European Union needs to truly encompass Ukraine as being already part of the European project.

### **Many strengths of the EU need to be backed by political unity to fully boost its competitiveness**

The European Union has many strengths that can serve well for its intended position as a respectable and competitive actor in the global arena. It has widely respected standards and regulations that are setting trends also wide beyond its borders, a good welfare state and social system unlike in the US or China, as well as robust industrial base, human capital and a skillset that is considered strong in a global viewpoint.

Furthermore, a continental-sized and strong single market is an advantage, even though we need to work further on completing it in order to boost the EU's competitiveness. Among factors that hold us back are also high energy prices, dependency on fossil fuels and external suppliers and demographic change that will soon start to exert pressure on Europe's ability to sustain growth due to shrinking workforce.

Europe is generally making a good progress with green energy, however, it still needs to deal with Russian gas and nuclear energy that still remain part of the system, posing security risks. Also, if Europe wants to carry out a successful transition, it must fundamentally transform its infrastructure. This requires a collective decision at the highest level of the EU.

On the EU level, we should also prioritize an effort to attract talent and create scientific conditions and career prospects, focusing on areas where we are lagging behind our global competitors. Europe needs to foster innovation and support AI integration in emerging businesses and startups to be competitive with the US and China.

In terms of the planned large investment into defence sector across Europe, this also has a potential to contribute to boosting industrial development and an overall EU's competitiveness. To achieve this, we need to focus on smart investments into innovations and R&D, not prioritize dual-use projects. Slovakia is well positioned to benefit from this situation, if its political leadership communicates clearly with its European partners and focuses on directing spending and subsidies into defence as part of a broader plan to remedy difficulties that some industries are currently running into.

The EU was thus identified as having enough advantages at its disposal, as well as clearly identified areas for improvement. The issue and the question is whether it is united enough to use them properly at its benefit.

### **European defence at the top of the agenda**

NATO has always been a cornerstone for European defence. As the USA retreats from European security, the EU is forced towards bold steps. Considering previous defence initiatives not being very successful, the EU needs to learn its lesson and structure its plans in this area better. It also needs to change its approach from rather reactive to external stimuli and also focus more on evident leadership instead of excessive focus on discussing increase in defence spending.

Russian war against Ukraine helped to boost European action and its leaders now know they need to do more, regardless of Donald Trump in the White House. However, it is false to expect to build up European defence capacities too quickly and, in some areas, we need to accept having to rely on the American capacities in the future, as their structures differ. There also still are various prospective areas for cooperation between EU-NATO that has not yet been exploited.

European leaders nowadays strongly focus on the issue of increasing defence spending in their respective countries, which is an important part of the puzzle. However, we need to start focusing more on other areas in order to make the common effort of building European defence and resilience a successful story.

One of those is common procurement, to make better use of the allocated budget. This can be expected to get more complicated due to respective countries seeking some geographical return of defence investment in their companies, including not only the EU member states but also the US. Fair balancing of the financial flows is going to be important also for the future of transatlantic relations.

A reliable environment for defence companies needs to be established in order for them to have ability for long-term planning and growth. Also, apart from building up European defence, it is also crucial to integrate it better. Only strong and also integrated capabilities can be credible and thus truly serve Europe to deter Russia.

Lastly, European countries need to be more active in terms of explaining current security situation and selling the need to rearm Europe to its citizens. There is a lack of preparedness on social level and civil defence across the EU.