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Transcript

The Power of the Union: Europe, its Neighbourhood and the World

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Herman Van Rompuy:

Ladies and Gentlemen, it is a pleasure to be here in London, in the centre of strategic thinking that is Chatham House.

These are obviously unusual times for Europe. Today a referendum in Ireland, the banks in Spain, opinion polls in Greece: every day brings its share of headlines! On a more personal note, today also happens to be the last day of my first term in office as president of the European Council. I hope the second 2.5 years will see fewer storms. [Laughter]

I have come here first and foremost to share some thoughts with you on Europe's foreign policy – even if we can touch upon other issues in our discussion. European leaders remain fully engaged in global matters. The G8 summit in Camp David and the NATO summit in Chicago – which I both attended – are recent examples.

For reasons I will explain, worries voiced by some experts that 'Europe's foreign policy is falling victim to the public debt crisis' seem to me an exaggeration, but we have been weakened by the crisis. It is also a matter of disproportionate expectations. We cannot expect Europe to suddenly turn into a new superpower. I am an expert at avoiding this trap. I built my career on lowering expectations...! Yet we should not fall into the opposite trap: Europe is not becoming a disengaged spectator. All 27 Member States are committed to making a difference in the world, through their own actions and jointly – not least the United Kingdom!

I would first like to set the scene. The world has changed completely over the last 25 years – completely. At the risk of stating the obvious here in Chatham House, I feel it's worthwhile to mention what I see as the three main trends.

One: the stage is getting more crowded. Two: the public comes closer to the stage than ever before, even to the extent of itself becoming an actor. Three: the nature of the play is changing.

You may notice I use metaphors from the theatre. These may be less fashionable today in the field of foreign affairs than concepts from game theory, like 'zero-sum' or 'win-win, or geology, 'shifting tectonic plates'. Yet they perfectly capture the nature of politics, its drama. Here in the London of William Shakespeare, I do not have to explain it: 'All the world's a stage!'

First trend: the global stage is getting more crowded. The rise of the emerging powers is striking; rising powers, by the way, and not just rising economies, although the two tend to coincide. The symbolic turning point was the

establishment, late 2008, of the G20 at summit level. Dozens of other 'emerging powers' are queuing up behind them. We have not yet fully assimilated this deep change.

Some people call it 'de-Westernization'. I prefer to speak about the loss of certain monopolies we have held for two centuries, economically and politically. Even if there was no homogeneous 'we' in the West! It is a relative decline, which it would be counterproductive to deny.

For humanity as a whole it is not bad news: it has allowed hundreds of millions people to climb out of poverty. And a nuance: the loss of a monopoly does not mean the loss of all power. The West still has major assets, the new players are less united than they pretend to be, and they too face huge internal challenges – political as well as economical.

Second trend: the public comes closer to the stage than ever before. One key aspect is the communication revolution. Just as the French Revolution was the work of pen and ink, just as the fall of the Iron Curtain in Eastern Europe was helped by radio and television, so today some regimes fear the mobilising force of the Internet, social networks and mobile phones.

Of course, a communication tool does not determine a struggle's outcome. But as the Arab Spring and Chinese anti-corruption protests show, it can empower individuals and civil societies. When the audience starts booing, any leading actor stands on shaky ground!

People across the world are asking for jobs and justice, a say in their country's politics. This democratic wave will roll on; we have not seen the end yet. It is irreversible. The communication revolution will put a heavy burden on some regimes among the emerging powers. Russia and China's position on the Syrian uprising shows that they cling to the past. History is on the side of democracy. The fear of radical Islam should not retain us from supporting the democratic revolutions and engaging with the new Arab governments, including, whatever the election results, Egypt.

This brings me to the third trend: the nature of the play is changing. Power and influence in the world are more and more a matter of economy, and less of weapons. The BRICS, China in the lead, inspire awe – more for their production performance and their trillions of foreign reserves, than for the size of their army. On the American side, the experiences of both Iraq and Afghanistan have clearly demonstrated the limits of military power, as the US has recognised itself.

The global economic scramble for markets and resources is still about confrontation and competition. It is, at the risk of distorting the thought of Clausewitz, the continuation of politics with other means. In that respect, the 'old play' of rivalry is still on. Yet there is one vital difference: today's global economic interdependence. The major powers cannot achieve prosperity by undermining each other. That is new.

From these three forceful trends, I draw 3 conclusions for the EU's Member States: First: on a crowded global stage, it makes even more sense to work together as a club. It also forces us to pick our priorities carefully. In my view this means a focus on security in a broad sense, first and foremost in our wider neighbourhood, and on prosperity, in cooperation with our partners.

Second: in a world where public scrutiny plays an ever stronger role, we must defend our democratic values. Scrutiny also applies to us, so credibility requires consistency.

Third: faced with the new play of global interdependence and global governance, we need a presence in all the world's regions. Take a hot example: Europe is clearly not a Pacific power and will not become one: geography still matters! Yet as the single largest trade partner of the major East-Asian economies we not only have a stake in the region's stability, but also contribute to it. That's why Europe must remain globally engaged.

Europe has a role to play: politically, economically, and also militarily. And in most cases, European countries can perform better by working jointly. Naturally, the United Kingdom is a country with an outstanding diplomacy, a top army and a great tradition of strategic thinking – unrivalled in Europe... *ou presque*.

So here in London you may sometimes wonder: Why go through the EU now and even more so in the future? Why share confidential information with 26 other countries? How to avoid the risk of scaling down ambitions, of wasting time on internal coordination instead of responding swiftly to events? What do we get in terms of results? Not to mention conspiracy theories as if 'Brussels' could take away the UK's and France's Security Council seats!

The last one aside, these are fair questions. But there is a clear case to be made. We in Europe share the same basic concerns and broadly the same interests. The security and prosperity of our citizens, holding up certain values. The European Union offers added value, in terms of effectiveness, cost, and legitimacy. The Union is not about giving up your own role; no, it is about leveraging our strength by aligning our positions, pooling resources, acting in the world as a club – and increasingly as a team. Even if, for not

having its own army, the European Union is seen as using mainly soft means, we achieve pretty hard goals.

Let me give some examples on security. There the Union's most vital work has been to stabilise our continent. Above all through enlargement, by opening up a promising perspective after a period of dictatorship (Southern Europe), of Soviet rule (Central Europe) and of civil war (the Balkans). Ensuring that the Western Balkans' future will be European is one of the priorities in my second mandate.

In its wider neighbourhood also, the European Union is the most legitimate actor. The Georgia War in 2008 was a clear case. French Former French President Sarkozy, who was holding the EU Presidency, played the European card in brokering a truce. Once it was established, it was the EU which sent a peace mission to observe the Georgian-Russian border. Politically speaking, NATO could not have done it.

Another case was last year's intervention in Libya. At stake was the defence, not just of peace on our continent, but of European values. European leaders had to do their utmost to prevent a bloodbath just across the Mediterranean. We held an emergency EU summit, which paved the way to the international intervention a week later, based on a UN Security Council resolution and support of the Arab League.

I remember speaking to a President from an emerging country a few months later, who was going on about oil and commercial interests. I told him about the scars of Srebrenica – it really seemed an eye-opener to him!

And now we have to step up pressure on the Syrian regime to stop the unacceptable violence. The EU is fully united behind the Annan-plan in all its aspects and is pushing for its adoption. This is one of the issues I will raise with President Putin next Monday when we meet for the EU-Russia summit.

Obviously we also use economic and political means to achieve security goals. The sanctions the EU imposed against Iran's nuclear military programme were followed by countries around the world and helped bring Iran back to the negotiating table. The efforts are ongoing, and as you know the EU's Catherine Ashton is skilfully chairing the talks between Teheran and the six countries.

To conclude on security, two remarks on the transatlantic relationship. First, the Libya intervention showed a new burden sharing. It made sense for Europe to take the lead in our own vicinity. Of course we discovered that we still need American assistance, if not to win the war, at least to win the battle

with overwhelming force. It was a wake-up call. Some concrete progress on pooling and sharing of European military capabilities has been made since then. But as I stressed at the NATO summit, much more needs to be done.

Secondly, even if there has been much talk of the 'pivot to Asia', the United States emphasising its role as Pacific power, the transatlantic relation remains vital, for both sides. From what I see, Americans realise that the pivot is not an alternative to Europe and NATO. On the contrary, a strong transatlantic relationship is a precondition for America's focus on Asia. In that respect, the West still exists!

Let's go back to some of the economic issues. Access to our common market, the world's largest, is a much sought after prize. From our side, trade with the rest of the world is a key engine for growth. We have a number of trade agreements which either just entered into force (South Korea) or under way (like Japan, India, Indonesia) and we are looking at further opening trade with the United States. Trade is still the best example of how Europeans gain considerable weight by a strong common approach.

Trade is not just an engine for growth, but also for change. As we see in our relations with our eastern neighbours (such as Ukraine, Georgia, Moldova), the pull-power of the EU should not be underestimated. The stronger their commitments to genuine reform, the more they can count on the EU. And as I said to the Ukrainian leadership recently, this works both ways: not just 'more for more', but also 'less for less'!

Trade and the rule of law are also high on the agenda in our relations with Russia. Russia's modernisation is not only important economically: it can also bring further democratic evolutions in Russia's society and is a geostrategic interest for all neighbouring countries.

Of course trade has to be a two-way street. It is important that all players abide by the same rules and that disputes can be settled. Europe is ready to use the enforcement mechanisms to the full. Remember the recent WTO complaint against China on rare earth, which we launched together with the United States and Japan. I am confident Beijing will comply.

Recently, some Member States have emphasized the commercial dimension of diplomatic relations. This is understandable, especially in times of economic crisis. However, we should not end up with a good cop – bad cop division of labour, with national representatives doing the rounds as salesmen, leaving it to the EU institutions to be firm on the rules of the economic game and on the respect of human rights. As I pointed out

numerous times to colleagues, in that scenario we'd all loose out. We need to play our hand tactically.

I should like to stress that we already are a 'club' of states in the world, a Union – and perceived as such by the others. The Europeans share a certain vision and approach, different from that of the Russians, the Chinese, the Japanese, or even the Americans.

How to explain this set of shared ideas and practices? You could plunge in the history books, and detect a mix of renaissance curiosity, imperial pride and postcolonial prudence... However, just as important has been our intense internal diplomatic cooperation. Over 40 years, the diplomacies of our Member States have become used to working together. By now it has become a reflex, and produced a distinctive European method and doctrine. The creation of a European diplomatic service was therefore not a revolutionary step; no, it builds on existing achievements.

Sure, all Member States do not share every position on every issue. But single disagreements -- for instance on Palestinian statehood -- should not be seen as a proof that Europe lacks a common foreign policy. The fact is that today, in the most dangerous hotspots, such as Syria, Iran or the Israeli-Palestine conflict, the 27 very easily find common positions, sometimes within hours. We work together in climate conferences, on development aid, in crisis missions all over the world from Afghanistan to Somalia.

The synergy between national diplomacies and the Brussels institutions is accelerating under the double pressure of the financial crisis and the changing outside world. We must do better with less.

I see the progress on the ground, whenever I travel for instance to Washington, Beijing or Pretoria. Information sharing is intensifying. In the past months, a handful of Member States have asked whether EU Delegations could represent their countries in certain capitals and, mind you, not only debt-struck governments! An issue like 'co-location' of Embassies may sound prosaic, but such signs reveal something essential: that mutual trust is there and growing.

Now is the time to build on this confidence. European foreign policy is a daily reality for the 27 Member States. The financial and economic crisis, deep as it is, does not stop that. Yet overcoming the crisis is an absolute pre-requisite for much else.

Restoring the Eurozone's stability is indispensable for us to punch our full weight at the global stage. I am convinced that, for that, we also have to

structurally increase our economic growth. Even if it is perfectly normal that 'mature' economies grow more slowly than emerging ones, a potential growth of 1.5 pct is simply too low. We must focus therefore internally as much on growth as on stability.

The world is looking at us. Our efforts to overcome the crisis have become a key issue in our dealings with international partners. Explaining our course of action, the political constraints under which we work, reassuring our partners on our ability to keep moving forward: these are among our highest foreign policy priorities at the moment.

It also involves making the case that the eurozone is not the only region having to adjust its 'internal balances'. So have the others, and the US and China have to deal with big 'external imbalances' on top of it. Maintaining strong relations and mutual trust with our international partners will be key for the recovery of our economies. In such times, a strong diplomacy isn't a luxury we could be tempted to disregard, but an absolute necessity. It concerns each and every member state.

Since the 1950s, Member States have always intensified their cooperation as a result of ideas and ideals on the one hand, sheer necessity on the other. Once again today the pressure of events is huge: financially, globally.

It is said that when you look from inside the EU, you see smaller and bigger European countries, when you look from Washington or Beijing, you basically see small countries. That may be an exaggeration, but it contains an element of truth which we are all somewhat reluctant to admit. But then again, in the end we live together on this continent, and face the same challenges! And I add: destinies.

Together we have significant weight and we can be a force for a more prosperous and free world. Also on today's crowded stage, that remains Europe's role.