



KARL KAISER

Harvard University; former Director of the German Council on Foreign Relations

Thank you. I cannot speak for Germany; I am at best a German voice.

Let me make three points and also deal with yours. Firstly, the crisis is no doubt serious and I would like to emphasise the point that the Commissioner just started on and which Herman Van Rompuy made, as to some extent did Mario. We are living in a media environment that is extremely critical of the European Union and over-stresses, which is natural for the media, the critical and crisis elements, sometimes even with twists of wishful thinking.

Two points strike me in particular here. First of all, in the public discourse outside the European Union, we see a general under-estimation of the political will to carry the European Union forward and save the euro. This is usually under-reported, particularly, when you live, as I do, in an Anglo-Saxon media environment. For five years, the imminent collapse of the euro has been predicted and here we are five years later and the euro is still there. When you look back at the last two years – and allusions have been made to this already – and put together all the steps that have been made, we are now in the fourth bailout for Greece, which was just voted for in the German Parliament, which is working to a certain extent; there is the new role of the ECB; the cooperation of the four presidents – the Quadriga; the two bailout funds that have been created; and the Fiscal Compact. If we put them all together, we see the re-emergence of a very historical pattern of the European Community. When there is a crisis, at the end of crisis minds are concentrated and you move on. We are not yet at the end of the road but the European Commission, the Community and all the institutions and the European Union as a whole are moving in the right direction. The public perception of the European Union does not pay adequate attention to this fact.

Secondly, the domestic difficulties of governments are often also under-reported and under-estimated. In a democracy governments naturally have to reconcile solidarity on the one hand with the wishes of voters on the other hand, and that is a problem that Chancellor Merkel has to deal with in particular. One bridges the difference between solidarity and the wishes of the voter by conditionality and the result has been that very often those people who try to help are criticised more for being too slow and not generous enough than those who were responsible for the mess in the first place.

Let us consider the difficulties of extracting these concessions and let me take the German example for a moment. The totality of all bilateral and multilateral commitments of the German Federal Republic now amount to one federal budget. Would the United States Congress not create some problems if USD3 trillion were to be committed for Mexico and Central America? It is a very difficult task in a democracy. So far, Chancellor Merkel has done reasonably well and has been blessed by the fact that she has a de facto grand coalition in which the Opposition has, on the whole, supported the cause. Nevertheless, she wants to be re-elected and therefore has to move slowly, although, in the end, always in the right direction, even if sometimes late and with perhaps a bit too little.

Secondly, I would like to make the point that Europe needs a strategic debate on what its challenges to its security and its interests are and what actions and means it should take. The European security strategy that was passed in 2003 is almost 10 years old and it is now time to have another debate and one which forces the political class and the different publics, which concentrate all their energies on the euro, to think beyond the euro and go back to what is one of the basic purposes of the European Union, namely to develop the capacity to act on foreign and security policy. In this respect, I warmly recommend the report that Hubert Védrine produced at the request of President Hollande which says a great deal about this and sums up the problems excellently.

I would like to add two considerations which might animate the strategic debate. The first one, which has already been referred to, is the rebalancing of American policy towards Asia Pacific, which has been going on for some time. This does not yet necessarily mean the redeployment of military forces, but that will come to some extent. It shows, in combination with growing limitations due to the domestic circumstances, that the United States cannot automatically be taken for granted if there is a crisis that affects European interests. America will always try to support and help

Europeans but as far as the means are concerned – and I think that the Libyan crisis should have been an eye-opener here and it may be the model for the future – there will be instances where the Europeans will have to act themselves and produce the means, which are not sufficient at the moment.

Secondly, geopolitically, Europe is adjacent to an arc of change and crisis in North Africa and the Middle East, with an ongoing civil war, the danger of proliferation and the possibility of inter-state war. This is an arc of change and crisis that extends through Pakistan to Asia, where again the prospect for conflict is real. I would argue that, like the 19th and early 20th century in Europe, we have a fatal combination of rising economic powers, arms races, territorial disputes, rising chauvinism and historical mistrust that was the origin of conflict in Europe, as well as an absence of institutions to deal with the conflict. I think that the day will come when Europeans can no longer afford to concentrate only on a comfortable commercial strategy towards Asia but that the question will also arise for Europe on what position it will take on potential future conflicts.

Finally, I think – and I hope that Hubert Védrine says more about this subject – that Europe has to revive its efforts to produce a common defence. The budgetary cuts are there and are real and they show what the limits are. The Libyan crisis has shown the limit of the European capacity to act in terms of political will as well as sheer military equipment and capacities to intervene. This is a major area where Europeans have to act and they have focused on pooling and sharing. Do all the members have to have exactly the same kinds of military systems and services? The answer to that is of course no. They should pool and share, but so far all these efforts have come up against the same problem, namely national sovereignty and the fear that by pooling one becomes dependent on other countries with different interests and strategic cultures. A major effort is therefore needed to make arrangements that create common systems – and I still think that the UK and France, and France and Germany should be the pioneers – that guarantee that countries can act even when there are joint systems and another country does not take part.

Lastly in this context, I think that Mario Monti made this point in his answer to my question, but I would like to strengthen it. If we think in terms of Europe's capacity to act in the field of security, we need Britain, even if we make arrangements in the coming years where there may be differences in other areas between Britain and the rest of the Community. In this context – and to come back to António's question – I think that Germany has a particular responsibility. So far, the Chancellor – and here the Opposition and the Grand Coalition fully support the Chancellor – would like to see Britain in, but not at any price. As we all know, conditionality is an inevitable by-product of exercising solidarity. As Mario said, we cannot continue as we have done in the past. Chancellor Merkel is willing to be unpopular on this subject by being very strong on conditionality, but we are moving in the right direction. It seems to me that the European Union, with her help to some extent, is slowly adopting all the kinds of measures and institutions that will in the end lead to a resolution of the crisis.