



DEBATE

Thierry de Montbrial, President and founder of the WPC

That was a marvellous speech and everyone was listening very carefully. I think that we now have three basic options. Firstly, as your speech was so substantial, my recommendation would be that you give it again. It was really a very rich speech. However, if we do not want to choose that option, we can read it later. It is a very deep speech. The second option is to have the Haiku session that you actually started a little bit at the end of the speech. However, I think that we are all probably a little too tired for that and would not benefit entirely from it. That leaves us with the third option, which will be to have a short questions and answers (Q&A) session.

Your speech was very positive about Europe and I think that some of us fundamentally share this vision. However, as you know better than anyone else, it is extremely difficult today in any of our countries to convey a positive message on Europe and most politicians are totally unable to do so. What can we do therefore to improve the situation, particularly in view of the forthcoming European elections where it is quite likely that a high percentage of members of the European Parliament will be fundamentally anti-European?

Herman van Rompuy, President of the European Council

That is a vast question. Let me say first of all that populism is not an invention of the eurozone crisis, and I will give you three examples here. In my own region in my own country in 2004, an extremist racist party won 25% of the votes. This is in Western Europe by the North Sea, and they won 25% of the votes – and this was before the financial crisis and the euro zone crisis. In France in 2001 or 2002, the second-largest party was an extremist right-wing party, even when it competed against the incumbent President at that time. They were just almost 2% behind the incumbent President in the first round, and this was before the financial crisis and the euro zone crisis. In the Netherlands, there was a rising-star extremist party a few years ago based on being anti-Islam. That was the basis of their political capital. Then during the euro zone crisis they switched and everything that was related to Islam was dropped and simply changed – and I am not giving a caricature here – to Europe.

What I mean to say is that during the last 10 or 15 years in many European countries, although not in all, we have been living through a political crisis which was a crisis in the credibility of political authorities. Then the euro zone crisis happened and Europe became a part of this general crisis. We need to keep this in mind.

As regards the euro zone crisis and the forthcoming European elections, we are of course in an economic crisis, with huge unemployment in a lot of our member states, although not in all. We will convince people by our results in terms of growth and jobs. You will tell me that these results will not be very visible on 22 May next year and you will probably be right, but people also live in terms of perspectives and hope and there are now more signs of hope than there were a few months ago. However, ultimately – and here I am not just talking about European elections but also about the European idea itself – we will be supported by results in terms of growth and jobs. Nevertheless, it may be that the elections will come too soon in this respect.

However, what can also be very important and even decisive is that leaders defend their own European cause and do not blame Brussels, and the European institutions for everything that is going wrong, as it were, and for all the problems. They have to take their own responsibility. We of course made mistakes in the first decade of the eurozone where we did not monitor and correct imbalances enough. However, the underlying weaknesses in some countries were not tackled and the financial crisis brought them to the surface. A lot of countries were therefore ruled badly – *malgoverno*, as the Italians and others would say. The main responsibilities therefore still lie at the national level.

However, what we need now is both results, and rhetoric and language and people defending the European cause. Leading by example is more important than most people think and in periods of doubt, fear, uncertainty and what the



Germans call *angst*, showing leadership and believing in your own cause is of the utmost importance, and it can make a lot of difference. I know that in the referendum on the constitutional treaty in some countries, for instance, when you leave public opinion alone without any guidance from leaders, you can have results where 64% or 66% of the people vote against. This happens when there is no response, no answers and no encourage. It is therefore a time of political courage and of defending what we have done, and it is worthwhile defending it.

We will of course have a difficult time in the months ahead, but the European idea under pressure will survive because we will show the results and will have leaders who defend the cause.

That is my long answer to the question. It is always suspicious when you have to give a long answer because the situation is complicated and you are on the defensive. However, I do not feel that I am on the defensive. We have something to defend.

Thierry de Montbrial, President and founder of the WPC

Mo Ibrahim and Kemal Derviş are two honorary distinguished members of the European Union.

Mo Ibrahim, Chair of the Mo Ibrahim Foundation

[Inaudible] young Europeans. It seems to me that we are losing young people and no-one is standing up for [inaudible]. Everybody is focusing on the [inaudible] about what kind of [inaudible] and [inaudible] you can have and [inaudible]. However, people [inaudible]. [Inaudible] vote, [inaudible] going to vote maybe [inaudible] and I do not [inaudible].

Herman van Rompuy, President of the European Council

Thank you for your remarks and cautions. Again, this is a very difficult issue. First of all, you talk about losing young people, but the European idea is also at risk losing the support of older people. It is not just confined to young people. Let us therefore forget that it is just that Europe is no longer supported by the younger, idealist generations. That would be my first remark. The crisis of the European idea is much larger than that.

The second thing – and here I am just repeating what I said in the first part of my answer to the first question – is that this is also part of a larger political crisis. Traditional political parties are also losing the support of young and older people in a lot of member states. It is therefore not just related to Europe.

My third point is that the European idea was that the European Community and the European Union became a success over decades not through popular support but by the strong will of political leaders and what are now called political elites. You can also give this another name and call it political courage. When I was 16 I was a believer in the European cause. I was lucky to have teachers – Jesuits and others – who made me enthusiastic about the European cause. However, that was a small minority. The European idea never therefore had a broad political base, but it was accepted as long as it was successful. However, Europe has now come into our daily life and you cannot come into people's daily lives more than through money and if the people see that two fundamental financial institutions are in danger – the banks and their currency – it is no wonder that they feel destabilised. The European idea is therefore no longer an abstract idea or the most generous idea of the last few decades – an ideal; it has come into daily life, and that is always a very rough confrontation. That is the stage that we are at now.

My message is therefore that we have to prove that as a euro zone and European Union and at the level of the member states we can tackle the crisis and overcome it. We will then win popular support again through results and language and rhetoric, and I then have to repeat what I have just said. However, as regards the European idea itself, there were never any demonstrations in Western European countries in favour of Europe, whereas we have demonstrations in Ukraine for the European flag and we can then see how lively the European idea can be. In Western Europe, we are so used to Europe and the European institutions, but if you go to the new member states or the borders of Europe, you will find that Europe is still a very attractive idea. It may be less attractive for the older member states, but it is very attractive for the rest of the world.

**Kemal Dervis, Vice President and Director of Global Economy and Development at the Brookings Institution**

I have a more specific question. You have just talked about the euro zone and the European Union. How are these two things the same and how are they different? Last week, I asked two Swedish friends, one of whom is an ex-minister, what the chances were of Sweden joining the euro zone in the next decade. One of them said that there was zero chance and the other said that it was -5. They were not being negative about Europe but about the euro zone. My question is therefore how do you see these two concepts over the next decade? Will there be a greater European Union with a somewhat smaller euro zone? Will the euro zone keep extending? How will the UK fit in?

Herman van Rompuy, President of the European Council

In terms of a forecast for the next decade, if you asked me or others that question in 2007 and checked our answers now, we would need a lot of luck. Helmut Schmidt once said that those who have visions need to visit a doctor. However, that would be rather cynical of me.

First of all, in the midst of the crisis of the eurozone, two countries joined the euro zone – Estonia and Latvia. Again, this proves that we are still attractive. These countries joined the eurozone in the midst of the crisis, and others will follow. I do not know what will happen with Sweden. They had a referendum a few years ago and the result was negative.

However, I will tell you what my experience has been over the past four years. We now have 18 member states that are part of eurozone. There are then 28 member states in the European Union, two of which have a real opt-out where they said a long time ago that they would never join the euro or the euro zone. That then leaves us with 18 minus 26, which gives eight, one of which is Sweden. However, what I have seen is that when we take decisions on the eurozone all the other countries want to be involved in the discussions because many of them still have the ambition, although not for the years immediately ahead, of joining the euro sooner or later.

In fact, it is even more than that as there is an obligation in the treaties to join the eurozone. People tend to forget that. Economic and monetary union is not limited to the eurozone. According to the treaties, every country is a member of economic and monetary union, although I know that to some extent this is theoretical. Nevertheless, they want to be involved. This is so true that if I organise euro summits at the highest level for participation of the eurozone only, the idea is rejected by all the others. For two years now, we have been discussing all matters related to the eurozone in the European Council, even in the presence of and with contributions from countries that are members of the euro zone and who will never be members of the eurozone, but all of them want to be involved in the decision-making process. The euro and the eurozone is therefore much more than those 18 countries.

You can then go even one step further. We concluded a treaty – what we call the Fiscal Compact Treaty – which we need for the euro zone. However, 26 member states have agreed the pact – which is a treaty – and ratified the treaty. Again, this is because they want to be involved in the main decisions that are being taken in the eurozone. This is therefore less complicated than most people think. It is not that there are 18 countries and then 10 others and there are no links or bonds between them; there are very strong links.

My last remark is that for a number of reforms we need the consent of the 28. For the banking union, it is about European legislation and therefore not only do we have to discuss it, but the decision-making process takes place in the Council with unanimity, although most of the time it is with qualified majority. Nevertheless, it is EU legislation. It is on the demand of the eurozone, but it is ultimately EU legislation.

We therefore need all the member states and they all want to be involved. It is therefore less complicated than people think. There is no split in Europe, although there is of course a split in terms of currency. This is seen as something that is much more common than most people think. My experience over the last four years is therefore that the 10 non-eurozone member states have every interest in a stable euro and a stable eurozone and will do whatever they need to do so that we can get that stability. When we integrate more in the eurozone, they work with us to achieve that further integration because it is in their own interests.



I have to reiterate therefore that my experience in the decision-making process in relation to this over the last four years is much less negative than most people think. I even feel that there is positive cooperation from the non-euro member states and this has even come from those who have never had the ambition of joining the euro zone, which is not the case for Sweden, but applies to Denmark and the United Kingdom.

Thierry de Montbrial, President and founder of the WPC

After such a marvellous presentation and discussion, the only thing left for me to say is 'Long live Herman Van Rompuy'. I would suggest changing the mandate so that you are elected as President of the European Council for life. Thank you very much.