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It is always better to end only on a positive note. Last but not least, Steven Erlanger was moved from being the chief correspondent of the *New York Times* in Paris to being the chief correspondent of the *New York Times* in London. Is Paris the place to be and London the place to do? What would you say?

Steven Erlanger, London Bureau Chief, The New York Times

Firstly, I would say that it is hard to be the last of eight speakers at the end of a very good conference, but it reminds me of a story that Christine Lagarde, a great French representative, likes to tell. She said she sometimes feels at the end of the panel like she is the eighth wife of Don Juan, and she knows what is expected of her but is not sure how to make it interesting. Forgive me, Christine, but I feel I am in that position.

I am a little worried. When you are here in this place, you can feel there is a Europe, a Europe of elites and intellectual exchange, but sometimes it does not feel that way on the ground. I really think Europe is losing its attraction to the rest of the world. It was an example to the world of shared sovereignty, of this great experiment, etc., but you can even see in Turkey that there is a sense that the soft power has lost its power, the softness is getting softer, and it is no longer seen as a model for other people, though everyone wishes it well. I certainly wish it well. I have the professional defamation of having covered the last real European war, which was in Kosovo. I am glad to be next to the Romanian Foreign Minister, as I am seeing another kind of European war, over what will happen on 1 January with Romania and Bulgaria. The racism that comes out on the issue of the Roma is really scandalous, and it seems as if in Europe there is still one group that one is allowed to hate.

I see Europe doing a very a bad job on immigration and integration policy, and I worry about two other things, which is where I will be more specific. I had five and a half years in France and love it very much. However – and Philip Hildebrand said something like this today – there is a kind of alcoholism, where you do not know there is a problem until you admit to yourself that there is a problem, and France has a problem. I am sure it can be fixed, but it requires a kind of political courage that is lacking.

Just to give you a couple of figures, the state now represents 57% of GDP in France, 11% higher than in Germany; 46% of the state budget goes to social benefits; there are 90 civil servants per 1,000 people, whereas in Germany there are 50; the national debt is over 90% of GDP and rising; there has not been a budget surplus in over 39 years; hourly wage costs are 10% higher than in Germany, whereas 13 years ago they were 8% lower; growth in real wages are slipping below productivity; 1,000 factories have shut since 2009; social spending is 32% of GDP, which is the highest in the OECD; tax revenues are 45% of GDP, the second highest in the OECD; 82% of all new jobs in France last year were temporary contracts, up from 70% five years ago; students have an average of 144 days in school, whereas the OECD average is 187; 55% of all French university students drop out before the second year, prepared for nothing.

It is a vibrant country and a vibrant economy, but the decline is real; it is slow but real, and I really worry that France, which already has a problem with its own self-image in the world in a Europe where Germany seems big and powerful, is slipping out of the second tier into the third, and that is the problem. It is still having babies, and maybe in 20 years it will have as many people in Germany, and let us not forget that the German model is cracking as well.

I come to an England where some of the economic figures are worse, but what worries me about England is that it is sliding away, it is losing its moorings, and I do not know what Europe will be like without Britain, but I do not want to see it. I lived in Britain 25 years ago, so I have come back; it is a very odd feeling. Twenty-five years ago we had Margaret Thatcher, Ronald Reagan, the Soviet Union, and Britain felt important, it was a world player; today, it is even



thinking about leaving the EU, it is very self-centred and self-absorbed, it feels frightened. The debate is about immigration, the cost of living, foreigners coming in and eating up London; it is not a self-confident debate. For the first time you have a coalition government, but Cameron has an actual enemy on his right wing, which is the first time a Tory prime minister has had that, in UKIP.

Now, UKIP can seem ridiculous, but it is not the National Front; it is a little more plausible than that. Cameron has within his own party probably 100 MPs who are simply anti-European. You could give Britain anything and it would not be enough for them. This is troubling, and in terms of leadership, there are very few people so far willing to stand up and say that they are not having the right conversation.

I do not want to end on a downbeat note, but this is what bothers me, so I hope as the eighth wife I have made it a little interesting.