## **EUROPE'S FUTURE**

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For centuries Europe was dominated by internal conflicts which in the sixteenth century with the emergence of competition for global domination started to overflow its narrow boundaries.,

There is no doubt that the global role thus sought by Europe's states peaked around the start of the last century for, throughout the 19<sup>th</sup> century the economy of the United States had been growing at a phenomenal rate, and by the end of that period was beginning to assert itself externally, winning colonies for itself - never admitted to be such, of course! - through the 1898 Spanish-American War. At around the same time Japan and Russia - the latter also a European player - were in the process of emerging as major industrial powers, challenging each other in the West Pacific. China, however, was still dormant, prostrate under rampant European colonialism.

Thus, one hundred years ago Europe was still supreme but, its power had a self-destructive potential, for with the growth of military technology, many centuries of rivalry for dominance within and beyond the Continent carried were starting to carry a lethal potential,

Moreover, the stability of the European state system was not enhanced by the survival into the modern age of the monarchical system, for although the role of monarchs was by that time subject in most European countries to be subject to an ever-increasing element of democratic control in domestic matters, this was much less true of foreign and military policy, which remained a matter for the executive rather than the legislature.

A new source of weakness within the European system was also starting to appear in some countries around that time, namely demographic changes, through which eventually Europe's population - even at that time a small proportion of that of the globe - was going at first to stabilise and then, a century or so later, actually to start falling.

The process by which a Western Europe whose economic strength and power was already in 1900 coming under long-term threat, moved almost overnight in the immediate aftermath of World War II from world dominance in the second half of the 20<sup>th</sup> century, exercised selfishly, to a far more constructive and positive role in the world has been a quite extraordinary one. Unfortunately it had required two destructive and lethal intra-European wars - the second of which brought our Continent to the point of near self-destruction - to force military its western part to pull itself together and to set out consciously to reverse the dangerous tide of its history, in a way that has since come to re-shape radically Europe's global role.

The key issue today is whether the New Europe thus created still has the time, the commitment, and the energy, and can develop the kind of dynamic collective leadership that would be needed to deploy its emerging value system in such a manner as to influence the great powers of the future: Russia, China and India, as well as the United States, to join in the creation of a world free from violence and injustice.

Let me start by listing the positive side: what Europe has done in the past fifty years to turn its malevolent history on its head. Of course, as we live in a very imperfect world, run by very imperfect people, none of these achievements is perfect - but that should not prevent us from realising what remarkable progress our Continent has made since 1945, or the extent to which this progress has differentiated Europe from most other parts of the world, including many other democracies such as the United States.

## 1. Commitment to international law:

Contrast Europe's commitment to international law with the stance of the US, for example over the mining of Nicaraguan ports, and note the refusal of even Margaret Thatcher to support Israeli bombing of the PLO in Tunis in the 1980s being contrary to international law- and the obvious reluctance with which she agreed to support the US bombing of Libya as a quid pro quo for the support of the US in the Falklands War.

## 2. Acceptance of a supra-national supervision of human rights by the Strasbourg Court.

Contrast Europe's acceptance of supra-national supervision of human rights through the Strasbourg Court with the unwillingness of the US even to accept the Geneva Convention.

3. Creation of a European Zone of Peace and the increasing dedication of European national armies to peace-keeping and peace-making - admittedly in the process there have been with some

notable failures, such as Srebrenica and Rwanda. After 1989 the EU zone of peace spread to Eastern Europe, except for a period the Western Balkans. Europe's zone of peace has also had an indirect influence on Russian policy with Georgia and the Ukraine although not yet in Chechnya. Contrast this with the US invasion of Iraq without UN authority - and its earlier withdrawal from Somalia.

- 4. Substitution of aid (transfers from rich to poor) for colonisation, even admittedly, with a neo-colonial element in the form of tied aid and military equipment sales. Contrast the scale of European and US civil aid Europe's civil aid programme far exceeding that of the US by being three to four times greater than that of the richer United States.
- 5. Abolition of capital punishment: rejection for EU membership of any country which keeps this penalty. Contrast this with the retention of death penalty in many US states.
- 6. *European initiative on global ecological action*: Contrast Europe's key role in this area with US rejection of Kyoto, and the United States subsequent slow movement towards a more enlightened approach.
- 7. *International Criminal Court*: US rejection of, and its attempt to sabotage the International Criminal Court, on which Europe gave the lead. Note the potential future impact of this on war: by the British CIGS refusal to initiate military action in Iraq without an assurance from the Attorney General on its legality. This required the Attorney

General to change his mind at the last minute - very dubiously - about its legality. There was no such inhibition in the US.

Of course on some of the issues there have been European attempts at evasion and back-tracking - but that is not the real point. The commitment, first in principle, and afterwards in practice, to this new value system in international relations is a key revolutionary element.

The result is that Europe is now an extraordinary positive force in the world. And it has the possibility of influencing the US eventually towards a similar approach - drawing on opposition within the US itself to American abuses of power. And Europe has a potential influence also on Russia and China.

But all this depends upon Europe acting cohesively so as, to keep its role of its moral leadership. This is currently at risk. Why? For several reasons:

- 1. First, although Britain shares the above seven values, its linguistic and social relationship with the US, and its desire to maintain its "special relationship" with that country, greatly weaken Europe's capacity to influence the US positively and the Iraq War shows that Britain on its own cannot influence the US significantly.
- 2. The attempt by some other European Governments to cosy up to the US, and the continuing East European hang-up on security vis-à-vis Russia, and consequent over-reliance on US for their security, have had similar negative effects.

In the longer run only a cohesive European effort to "sell" its new value system offers it a hope of influencing the US to develop similar values. Over a longer time-scale the same could be true about Europe and Russia and, eventually, Europe and China.

But time is now running against Europe. On present form, within 40 years demography will have reduced Europe's work-force by one-quarter and economic growth cannot be sustained without a reasonably stable work-force. Immigration cannot easily solve this either: the temporary influx from Eastern Europe to Ireland and Britain was a one-off phenomenon, for the demography of those countries is even more skewed towards older people than that of Western Europe. And, beyond a certain point, immigration from outside Europe can prove disruptive, and could weaken Europe's potentially positive role.

For Europe to exert the kind of positive moral leadership that the world needs at this juncture, it needs to act coherently during the quarter of a century ahead. Its capacity to do so has clearly been weakened in recent times by poor political leadership, by persistent economic failure in the major Continental economies reflecting inability to tackle structural weaknesses in labour market policy in particular, and, above all, by the inadequacy of the Stability and Growth Pact - which has totally failed to prevent the present economic crisis. We now know that this crisis could even threaten the Euro itself which has proved unexpectedly vulnerable to policy failures in small countries like Ireland and Greece - with respectively only one and two per cent of the Eurozone's population.

More generally many governments have lost touch with their peoples on some issues, including the potentially positive role of Europe in the world.

And, disturbingly the democratic authority of European representative democracy has been weakened by a clever populist campaign to denigrate the authority of elected governments: the widespread use of the word "elite" to describe such governments is potentially dangerous, for this rhetoric is open to abuse of the kind we saw three-quarters of a century ago in Germany.

There has never been a more difficult moment at which to seek to discern Europe's future. For, our Union is currently faced with three interconnected crises, the resolution of each of which will require exceptional political leadership, that is clearly absent at this time.

First of all, there is the longer-term demographic problem. The next twenty years will see the start of a fundamental shift in Europe's population. The proportion of the population of working age is likely to drop by 7%, whilst the proportion aged 60 and over will rise by about 30%.

At present rates of human reproduction, even to maintain Europe's population and labour force at a static level would require a large inflow of people from outside Europe - and already a relatively small inflow of such immigrants is seen to be causing social tensions. The alternatives facing Europe are thus economic decline because of a falling population, or high immigration from outside our continent - unless, of course, we can boost our European birth rate - a matter to which no serious thought is currently being

given, except in France, which, with Ireland, is the only European country with a stable population, enjoying a reproduction rate in excess of two.

In the years after 1985 Denmark and Sweden showed that the birth rate can be increased, at least for a period, by up to 25%, through the provision of generous maternity and paternity leave. Something of this kind is arguably needed throughout Europe but is not a focus of most EU states' policies.

This low birth rate problem is even more acute in eastern than in western Europe; Ireland's recent high immigrant inflow from eastern Europe was a purely temporary phenomenon - a one-off short-term consequence of EU enlargement. In the medium-term these Eastern and Central European countries will themselves need net immigration to increase or even to maintain a young population large enough to support their own rapidly growing number of pensioners.

There is also the economic crisis, which requires drastic reforms in many EU states. A restoration of confidence is needed to get people spending again. Key reforms are required in labour law as well as cut backs on some of the more extravagant aspects of social welfare - whilst maintaining the basic elements of Continental Europe's unique social market

Next there is the now urgent problem of the Stability and Growth Pact, which has proved ineffective in the face of the present crisis. The truth is that a fiscal disciplinary system that ignores debt levels and takes no account of cyclical factors is an absurdity.

All these problems test the solidarity of the EU. The truth is that the European Commission as it has developed in recent years does not have the authority to run an economic union, which needs a central fiscal authority, with power to prevent national budgetary excesses that risk de-stabilising our unique currency zone.

In the fifteen years following the Presidency of Jacques Delors - whose appointment I succeeded in organising in 1984 as President of the European Council, despite Margaret Thatcher's opposition successive European Commissions have become weaker and the power of the three leading states stronger The Single Market that Delors created, (despite initial Greek, British and Danish opposition), on the basis of the Report of Representatives of Heads of Government that I established in 1984 under Irish Chairmanship, was the last major EU break-through except for the Lisbon Treaty.

Why for the past fifteen years have the European Commissions failed to play the kind of dynamic role that earlier Commissions had done? Basically because the larger states have not wanted it do so.

Most small countries, like Ireland, have rightly seen their interests as best protected by strong European Commissions, whose exclusive right of legislative initiative was from the outset designed to prevent larger states from successfully pursuing their interests at the expense of smaller members.

That is why from the moment when I was appointed Irish Foreign Minister, 37 years ago last Sunday, I fought to protect the Commission's role from

erosion by one or other of the Big Three - or sometimes by all three of them, as was the case in 1974, when the Big Three, led by a new French President Giscard d'Estaing, attempted to create a Directoire by seeking to exclude the Commission from G8 meetings, and by creating a European Council of Heads of State and Government that they hoped would to by-pass the Commission's exclusive power of legislative initiative.

It was easier to block such moves as some of the smaller states like Ireland and the Benelux countries succeeded in doing, when the Union involved smaller number of states. It is much more difficult to organise up to twenty smaller states to block efforts by the larger ones to bend the Union to their purposes - especially as some new states may be more easily intimidated by larger neighbours.

The last time a number of the smaller states were organised to defend their collective interests was during the Convention that prepared the Lisbon Treaty - and it was the Irish Minister for Europe who organised and chaired those meetings.

I have emphasized the key role of the Commission in blocking large power bullying and protecting small states' interests because I suspect that at a moment when Greece is under pressure from the European Commission over its financial situation and over the inadequacy of its statistics, there must be a danger of populist anti-Commission rhetoric that could obscure the longer-term interest of a small country like Greece in supporting the Commission's key role in the Union

The Union's role in the world has not been advanced in recent years by the tendency of the larger states to pursue their individual interests at the expense of the interests of the Union as a whole - for example in relation to Russia and energy policy.

This is all the more unfortunate because it has become increasingly evident that the world has need of the "soft power" that has grown out of the development of Europe's international value system, the main features of which I have earlier outlined. If Europe could pull itself out of its present political and economic difficulties, with its states working coherently together, in what may turn out to be the last historical period when it has a capacity to exercise global influence, it might both be able to help the United States to complete the re-thinking of its recent unilateral approach to global problems, and to assist countries like Russia,. China and India to evolve gradually towards democracies playing a constructive and peace-oriented role in world affairs.

It is hugely important that Europe recovers quickly from the ills that at present afflict its economy and also its politics - important, I believe, not only for Europe, but for the rest of the world also. A strong and self-confident Europe, demonstrating how much more can be achieved by its "soft power" than by "hard power", could assist the emergence during the  $21^{st}$  century of a world order of peace and justice.