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AFTER THE STORM

How to Save Democracy
in Europe

Herman Van Rompuy
&

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Turkuler Isiksel, Ivan Krastev,
Koen Lenaerts, David Miller,
Dani Rodrik, Pierre Rosanvallon,
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PROLOGUE

AFTER THE STORM?

'Toute société qui n'est pas éclairée par des philosophes', wrote the Marquis de Condorcet, *'est trompée par des charlatans.'*¹ Perhaps the President of the European Council had something like this bold statement in mind when he told us he wanted to meet European thinkers. Thinkers. Not think tanks. Not experts. Not scholars with the European Union as their field of research. Not politicians or lobbyists, however clever and well informed, whom he had plenty of opportunities to meet.

This was mid-2012, about halfway through Herman Van Rompuy's five-year tenure as President of the European Council, and he wanted to meet thinkers who could help him think beyond the storm in which his presidency turned out to be embroiled, to help him think about Europe's destiny. He therefore asked us to select a handful of them, sufficiently diverse, sufficiently likely to tell him something he had not heard before, sufficiently capable of making him see something he had not seen before. So we did.

The people we invited were not all professional philosophers, but all of them were the sort of people Condorcet must have had in mind. People who are able and feel entitled, indeed duty-bound, to look ahead and think beyond their discipline, and thereby to shed light on the current predicament and future prospects of our European Union.

The outcome was a sequence of candid, lively, instructive encounters in Brussels. The guest thinkers expressed their fears and their hopes, and some convictions that those in power usually prefer not to hear. In return, the President, an economist and philosopher by training, quizzed and challenged them in the light of his own deep convictions and everyday experience.

About half of the contributions to the present volume are short essays in which participants in these encounters express somewhat more systematically the insights they tried to convey while in Brussels. For a number of different reasons, some of the participants in the meetings could not contribute an essay. Instead, we asked for contributions from a handful of other thinkers, some of whom Herman Van Rompuy had met in a different context.

This set of contributions, quite diverse in substance and tone, sometimes gloomy, often concerned, always frank, is preceded by a longer essay that encapsulates what Herman Van Rompuy himself has learned from these encounters and above all from his experience as European Council President. It is followed by two concluding pieces in which we each express our own respective views about the future of democracy in the European Union.

The title of this volume is meant to suggest that it forms some sort of sequel to *Europe in the Storm*, the book published by Herman Van Rompuy in his last year as President of the European Council. We could probably have picked something less foolhardy than *After the Storm*. But whether in the literal or in the metaphorical sense, using that expression does not prevent one from believing – as we do – that there are many more storms to come. Whether the present period is best seen as an interval between two European storms or as a lull in a particularly long one, the future will tell.

This future, however, is in our hands. The contributors to this book disagree on many issues, but they do share at least this conviction: political action does matter. Whether storms can be prevented or tamed depends on the leaders we choose and ultimately on us all as European citizens. But how successful we shall be also depends on our ability to identify the nature of the challenges we face and to work out the best ways to address them. Contributing to this task is the immodest ambition of this small volume.

LUUK VAN MIDDELAAR

PHILIPPE VAN PARIJS

September 2015

1 'Any society that is not enlightened by philosophers is deceived by charlatans' (Jean-Antoine-Nicolas Caritat, Marquis de Condorcet, *Prospectus* [1793], quoted in Elisabeth Badinter and Robert Badinter, *Condorcet. Un intellectuel en politique* (Paris: Fayard, 1988), p. 9.

INTRODUCTION

HERMAN VAN ROMPUY

- Born 1947 in Etterbeek (Brussels), Belgium.
 - Degrees in economics and philosophy at the University of Leuven (1965–71).
 - Member of Belgium's national Parliament (1988–2009), chairman of the Flemish Christian Democrats (1988–93), Deputy Prime Minister (1993–99) and President of the Federal Chamber (2007–8), Prime Minister (2008–9).
 - First permanent President of the European Council (2009–14).
 - President of the European Policy Centre.
 - Laureate of the Charlemagne Prize 2014.
 - His books include: *De kentering der tijden* (Tielt 1979); *Op zoek naar wijsheid* (Leuven 2007); *Haiku* (Gent 2010); *Europe in the Storm: Promise and Prejudice* (Leuven 2014).
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In December 2008, Herman Van Rompuy unexpectedly became Belgium's Prime Minister as a result of one episode of the financial crisis prompting the sudden resignation of fellow Christian Democrat Yves Leterme. A year later, as he was contemplating ending in this position a distinguished career in Belgian politics, Van Rompuy was catapulted into a brand new top European job that was soon to prove of vital importance. The 26 other heads of state or government of the European Union elected him as their first permanent President, at a time

when no one knew that the European Union was about to enter one of the most turbulent periods in its history. During his two terms as European Council President, Van Rompuy saw most of his energy absorbed by the euro crisis. He is widely credited with having steered the Union's leaders through this storm by listening carefully, breeding trust and crafting compromises at nightly summits. His 2012 report on a 'genuine Economic and Monetary Union' laid the groundwork upon which today's EU leaders are trying to build in order to strengthen the single currency.

Herman Van Rompuy's academic background is that of an economist. His first job was at the Belgian Central Bank. This came in handy for many of the issues he has had to address politically. But he often quipped that his training as a philosopher proved more important: keeping a sense of proportion, looking beyond the media storm of the day, giving a sense of overall direction. Not a man who cherishes the limelight (and occasionally criticized for that), he has made time not only to publish a couple of books of Haiku poems, but also to speak out to the European public at large on the fundamentals that hold us together, most notably in the European Union's Nobel Peace Prize acceptance lecture, and to interact in depth with a number of major European thinkers.

In this introductory essay, which draws on these conversations, Van Rompuy reflects on some of the themes that have concerned him most during his time in office: the challenge of populism, the need for leadership, the false antinomy of 'European' versus 'national' politics, and the future of democracy in Europe.

REFLECTIONS AFTER FIVE YEARS IN OFFICE

HERMAN VAN ROMPUY

All the contributors to this book are recognized authorities in their fields who care about the future of the European Union. As is always the case, opinions differ markedly. The continuing debate on the subject, and ultimately history itself, will indicate the lines along which the Union is going to develop in the future. The intention here has not been to reach a consensus but to move our thinking and action forward.

A number of themes recur: democracy, political union, social union, public opinion and populism. I foreshadow a few of them here, inspired by my own experience and by contemplation of the European project. I have exchanged ideas with practically all the authors of this book, and without exception our conversations were valuable and fascinating. Often it was a matter of coming to understand each other's perspective. In that sense the politician and the intellectual have different roles, different responsibilities.

All too easily we imagine that 'Europe' once sparked enthusiasm and now evokes only indifference, that it is regarded with criticism, even hostility. But back in 1976, Belgian prime minister Leo Tindemans, in a well-known report called *European Union* that he was commissioned to write by his eight fellow European government leaders, lamented the loss of the idea of peace as the central motive for European unification. Forty years have passed since then. In the beginning the Union was a top-down movement, just like the nation states that preceded it. Those nation states mostly came into being as structures imposed by rulers. The Union did at least originate and grow with the democratic assent of elected representatives.

In discussion of European matters we often hear the term 'democratic deficit'. It comes to the fore in a number of contributions to this book. Here I would like to advance a rather provocative thesis: I believe the Union is overdemocratized. It has, after all, a dual legitimacy, firstly through elections in member states and secondly through the directly elected European Parliament. The two may clash, or national democracies may clash, as can happen even within federal states – a Belgian will understand this better than a citizen of a centrally governed country.

One of the ideas not taken up in the European Convention of 2003 was to establish an annual assembly consisting on the one hand of the European Parliament and on the other of the national parliaments of the member states. Such an assembly would further reinforce the dual legitimacy of the most important decisions, and do so very visibly. That proposal came to nothing, which is a pity.

The European Union, and the euro zone in particular, are very specific organizations. They exist by the grace of the nation states which have relinquished elements of their sovereignty to them. National democracies have lost some power as a consequence. Recently, the Greeks thought they still held their fate completely in their own hands when they voted a new government into office, until they came to understand that entering into a monetary union with eighteen other democracies places limits on your own sovereignty. It took the Greeks six months to realize this, six painful months that were damaging for the Union. The Greeks themselves regard this whole period as a defeat. Some were hoping that Greece would leave the euro zone, while knowing perfectly well that the country would be plunged into an abyss if it did so. The result of this entire episode is that exiting the monetary union has suddenly become a real option. That in itself means the euro zone is not expanding inexorably but might possibly even shrink, and by extension the European Union as a whole. That realization too has left a bitter aftertaste.

Often we have the wrong kind of debate. It has been said that there was no respect for democracy when it came to Greece. But in a monetary union all democracies need to be respected, including those of the creditor countries. Democracies can collide. In the case of Greece it was one against eighteen.

As far as Greece is concerned, there was also a great deal of criticism of the behaviour of the institutions that have become known as the troika, namely the European Central Bank, the European Commission and the International Monetary Fund, all of which act solely on the mandate given to them by the Eurogroup, whose members are the nineteen finance ministers of the euro zone countries. The institutions cannot act by themselves, nor can they take unilateral measures. At best it could be said that the performance of the troika may have taken place a little too much in the media spotlight, since as a body of technicians they had no formal public accountability; they did not need to answer to the European Parliament, for instance.

NATIONAL VERSUS EUROPEAN POLITICS

It is sometimes claimed that as long as political leaders are chosen on a national basis, they will not have a European reflex. But in the United States Congress is elected in the states, so clearly that is not the core of the problem. As long as the European budget amounts to only 1 per cent of European GDP and national public sectors as much as 50 per cent of their respective GDPs, political leaders will know where their power base lies. But a prime minister or president in the European Council may very well have the interests of Europe as a whole in mind. He or she will tend to wait until national and European interests coincide. In a monetary union that moment will not be long in coming, especially in times of crisis. We are all in the same boat.

It is a mistake, incidentally, to say that only the European Parliament is qualified to engage in European politics. In this connection I like to speak of the 'interiorization' of European politics. It is becoming domestic politics. National politicians are held to account for their European policy, whether in Belgium, in France, in the United Kingdom or in Greece. European problems have come close to the daily lives of people in every country.

The EU will never be governed in an abstract way, by people who derive their legitimacy from European elections alone. It would run counter to our history. We are not a single people but a union of many peoples and many states. This will always remain a difficulty. I reject the notion that those elected nationally cannot think as Europeans. The fact of being elected by a single nation does not make it impossible to try to operate in the interests of Europe. Sometimes there is a need to wait until everyone is convinced that national and European interests are one and the same. This takes time. Again, Europe will never be run by people who are not firmly anchored in their own nation states. The EU will always be a very distinctive structure.

We are said to have lost the battle for the hearts and minds. But today's world is fundamentally different from that of the founders of Europe in the 1950s, and even from the world of Jacques Delors in the 1980s. With the euro, Europe has entered the daily lives of people through their money. The Union is no longer a matter that does not concern them. We go to sleep with it and wake up with it – sometimes after nightmares, unfortunately. With the arrival of the euro it became clear that more responsibility and solidarity are needed. The currency union demands sacrifices. Europe used to be an easy win-win situation for all those involved. The single market, its first major project, was and remains something quite different from the single currency we are dealing with now. We cannot judge new wine based on the wineskins of the past.

Is Europe really incapable of solidarity? It has managed to introduce the European Stability Mechanism, making over 500 billion euro available as a loan on favourable terms. The money comes from the member states. There is a considerable risk that those who contribute the money will not see it returned to them in full, especially if it is used for loans to Greece. So in fact there is more real solidarity now than in the past. Solidarity is easy when no actual appeal is made to it, when no sacrifice is required.

Some say a decision is undemocratic if they cannot agree with the policy behind it. Perhaps the policy is too liberal or too interventionist. In such cases there is talk of dictates or of paternalism. In such cases, all too often ideology hides behind the argument from democracy.

NEW INSTITUTIONS, A NEW NARRATIVE, OR RESULTS AND JUSTICE?

When people can no longer see a solution, there is soon talk in the Union about new institutions and roles. A directly elected president, we hear, would put Europe's interests first and involve people in the European story. That is exactly what was expected of the directly elected European Parliament. But even an elected president would have to work with representatives of the member states, as in any federal state. As long as the Union has as little budgetary significance as it has today, such a president would be in danger of raising expectations that he or she had no way to fulfil. There would even be a risk of causing an adverse reaction, against the Union.

I also hear a lot of talk about a new narrative. However, that will be a great undertaking in a postmodern world that has left the great stories behind. I have more faith in a durable 'Union of values', public values that unite us, as they unite the United States, of a kind often lacking in

the rest of the world. In a society that has become highly individualized, public values might be a means of binding people together, especially in the face of threats from terrorism, the radicalism of some Islamic groupings, autocrats at our borders and so on. I hear talk of Eurasian, Asiatic or African values from some leaders – often as a barely concealed justification for autocracy. At the point when India, Brazil, Indonesia, Japan, South Africa or Nigeria become fully-fledged democracies we will take a fresh look.

Meanwhile we must prove that Europe contributes to peace, democracy, prosperity, job prospects and justice. Results will be crucial if we are to convince Europeans. Outcomes will be decisive.

Justice will be a central theme. We live in a Union with great inequality between member states, greater than in the United States. A market economy actually tends to enrich and impoverish cumulatively. Governments must therefore take corrective action, including European governments. This is what lay at the origin of the European Structural Funds, which for some countries could amount to as much as 4 percent of GDP annually. We still do not have a socially corrected market economy at a European level, however. In the face of market forces we need to create a European countervailing power, as we did when the national welfare states were set up after the war.

Justice also goes hand in hand with protection. It is the task of a government to protect its citizens against disorder, war, adversity and major setbacks. At a national level some speak of overprotection, which undermines personal responsibility and leads to waste, abuse and a free-rider mentality. But at a European level it would be more appropriate to speak of underprotection. I am thinking of social dumping, international tax fraud and tax avoidance, illegal immigration, financial speculation, unemployment and so on. These problems are being worked on, sometimes to a far-reaching degree, as with the establish-

ment of the banking union or the automatic transfer of income data in Europe and even beyond as a means of combating tax fraud.

Yet there is a dominant feeling that Europe is more a space than a place, a space in which to move freely rather than a place where people know they are safe, that it is more for business people, students and travellers than for the ordinary citizen who is less mobile and whose own world is limited despite everything. The modern human needs a home, a place, because uncertainty and fear are central to our world view, for all the talk about enjoyment and what fun everything is. The nation state is no longer a home either, in truth, but Europe even less so. To the extent that the union penetrates everyday life, it is in a negative sense (the euro). Yet we have to prove to European citizens that the EU is there to protect them. Much of the legislation that protects the consumer is in fact European, but it is rejected as paternalistic. Here lies a paradox.

LEADERSHIP AND POPULISM

The Union needs its defenders. We hear a great deal about a democratic deficit, but is there not also a leadership deficit? Where are the courageous men and women who speak for Europe? I see much half-heartedness, sometimes cowardice.

Leadership is another word for political courage, the courage to expand boundaries, to avoid simply following the opinion that dominates among the population, to adopt the course you see as the only way of safeguarding the future.

I have known prime ministers in the Union who took measures they knew would endanger their political future and cause their parties to suffer heavy electoral losses. I have known some, however, who joined with others in approving certain measures at the European Council in Brussels

only to abandon them instantly on their return to their own capitals. They lacked the courage to defend those measures inside their own national borders. This has badly damaged Europe's political credibility.

Leadership is essential, especially when we take into account that more European integration will be needed, in the euro zone in particular. To preserve what we have we must proceed with further European integration. The Union will have to prove that it can take qualitative steps forward even when there is no immediate crisis, if only gradually. Direction is more important than speed. There is nothing wrong with small steps, as long as they are in the right direction. It must not be the case that people can act only with the knife of the financial markets to their throats. Further transfer of sovereignty will be necessary as well as more solidarity, two of the most difficult subjects in the Union. I noticed immediately after the euro had been saved in the autumn of 2012 that the eagerness to reform at the collective level of the euro zone declined.

The European federalists deplore this. Inadvertently, however, they sometimes do so in ways that come dangerously close to anti-politics. In debates I have sometimes watched the public enjoy listening to accusations that leading politicians are not sufficiently well disposed towards Europe, knowing that the same public would be no less susceptible to a populist discourse. Those who want 'more Europe' must take care not to find themselves on the same territory as those who want less. Populism is older than the crisis in the euro zone. In my native Flanders, an extremist and xenophobic party won 24 per cent of the vote in 2004. The same has happened in Austria, France, the Netherlands and Denmark. The hard core of populism was and is migration. Since 2010 it has been joined in a number of countries by the economic crisis. In the United Kingdom it is still above all migration, but there migration is taken to include freedom of movement for EU citizens and workers, which strictly speaking it does not.

Populism also draws sustenance from opposition to elites. It is a consequence of the crisis of authority since May 1968 and of the profound individualization of people and society. It is also nourished by the fact that people in government are no longer able to fulfil their promises adequately because they have become dependent on external factors in a global economy or on the vicissitudes of the financial markets. People act as if they hold all the levers of power whereas in fact they have lost a good deal of sovereignty. This leads to what has been called 'overpromising and underdelivering'. That sense of powerlessness has increased markedly since the financial crisis, which took everyone by surprise, even the governor of the US central bank. The roof over our heads caved in. The sense of no longer living in a real democracy has grown in the face of those nameless forces. It is not hard to imagine the massive loss of confidence when in a period of just a few years people saw their faith in the pillars of the system, the banks and the currency, undermined. On top of all the uncertainties that already existed, this was a severe blow, and it affected faith in our democratic institutions.

In an extremely individualized society, party loyalty declines and ideologies become less relevant. The result is a splintered and variegated political landscape. To hold their ground within it, political parties need to define themselves more sharply; they are forced to polarize and polemicize, which further encourages a culture of untenable promises and leads to disillusion among voters. Those voters will seek satisfaction elsewhere, no longer from those they feel have deceived them. Adventurers and pied pipers gain a credibility they do not deserve. Sometimes even separatism can be a vehicle. It draws strength from centuries-old nationalism and the sense that arises in times of crisis that there are limits to solidarity. The underlying message is that other people are profiteers and we are the naive hard workers. Separatists say they are Europeans, but they are more anti-London and anti-Madrid than truly pro-Brussels. It is in fact a more negative reason that causes

them to opt for Europe. At least that is how it seems to me, seen from a Belgian context.

Anti-European sentiments are evident in this crisis of classic politics, which is part of a larger picture. The belief that it is purely an EU problem and that some specific approach towards Europe will resolve the crisis is an illusion, the result of an incorrect analysis.

NEW CHALLENGES

For the coming decades, the migration issue is crucial. According to the European Commission, we will see around fifty million people from non-EU countries arrive among us by 2060. True, this is only just enough to avoid demographic collapse, but that rational insight is no match for the sense that our own country and Europe are no longer a home, a place. None of these calculations take account of wars now being fought, from Afghanistan to Nigeria, Central Asia to the Atlantic Ocean. Nor do they take into consideration the population explosion in Africa, where the number of people will rise by one billion between now and 2060, and by three billion by the end of this century. GDP in Africa is now growing at a rate of 2 per cent a year, but the gap between it and Europe will remain large. How can we give that issue a place in a new narrative, and to what extent will it put our values to the test? This might be one of the most divisive elements in the Union in coming years. Oddly, not much thought has been given to it. Slogans are no substitute for ideas. Values must not turn out to be abstractions or empty shells.

In recent years Europe has been accused of being too preoccupied with itself, but it has nevertheless expanded by accepting twelve new members and entered into association agreements with three close neighbours, despite pressure from Russia.

The other great actors on a global scale have been just as bound up with themselves. The United States drew the inevitable conclusions from the disaster that the Iraq War represented for the entire region. Leading from behind, it has been called. The great powers have displayed powerlessness more than anything else in the face of all the great conflicts of our day, especially those in the Middle East, in North Africa and deeper into that continent. The top priority for China is China, even though this attitude is now felt as a threat by others in the region. Russia has concentrated nostalgically on the Crimea and part of Ukraine, although it now turns out that it does not have a modern economy. The Soviet empire is lost for good. It has become Russia. The economic models adhered to by India, Brazil and South Africa are urgently in need of reform. The BRIC countries want above all to react against the West, the United States in particular, but they have no joint strategy at a global level because each has concerns of its own.

We are not living in a multipolar or a bipolar world. The planet is non-polar. This would not matter if the great 'powers' worked together. Sometimes they do, as in nuclear talks with Iran or at the start of the banking crisis. Let us hope it will also happen with regard to the climate. But in the major conflict around the Mediterranean there was and is no cooperation. On the contrary.

Those who reproach Europe for too often failing to speak with one voice are sometimes right. On the issue of Ukraine there was a concerted approach with sanctions as tangible proof. It took me a great deal of effort at the time, but it was achieved. Yet as I have said, the other global actors no longer play the role they or their predecessors once played.

There has been no global equilibrium since the fall of the Berlin Wall. If the European Union wants to be a player on the world stage then it will have to rely primarily on the strength of its economy, even if it is now failing, as some say, to translate its economic power into political power. As far as the economy is concerned, the one major priority is for Europe to double

its growth from the present level of barely 1 percent. If it does not, then we will lose that economic tool in world politics. In addition, we will be unable to sustainably finance our much-praised European social model.

The Union will always be a civil power because its member states do not want to spend enough on defence and it has no military force of its own. The military debacles of the United States in recent decades have left few people convinced that military forces alone can solve problems.

Europe still has a great deal of soft power, far more than its colonial, imperialist and slave-trading past would suggest. The EU has successfully turned over those pages of history and the rest of the world recognizes this. In Asia and in Russia people are still fighting the ghosts of the past. The behaviour of the EU with regard to development cooperation, humanitarian aid and climate financing for poor countries has helped to make that image concrete. *Notre Europe* remains a great mission for coming generations. The future lies there and nowhere else. We will experience further spectacular revolutions like the one my generation witnessed in 1989, but we will have to make our history ourselves, with our own hands, not relying on serendipity. That is what this book is about.

HERMAN VAN ROMPUY

ORIGINS AND CHALLENGES

