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„What will happen in Europe?“

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We all still have before our eyes what happened few months *ago, in Ireland*. The immediate, almost spontaneous, reaction was to say that Europe of the institutions seems unable to extricate itself from the crisis, that the institutional responses are of no interest to the citizens, are misunderstood by the voters and distant from the true concerns of the Europeans. That it is therefore necessary to focus on policy and, referring to the title of this lecture, it is above all necessary to revise, relaunch and reinforce the Lisbon strategy.

This is true, but is not the whole truth. It is an effective argument, but only in appearance. It is valid as a communicative choice, but not as a fundamental political choice. This is because the European foundations are based on two pillars, made up of „(good) policies and (effective) institutions“. Good policies are impossible without adequate institutions; there is no point in having reformed institutions if they do not know how or are unable to make courageous political choices“. This is the dilemma facing us today in Europe.

From 2000 to 2007, from economic Lisbon to institutional Lisbon, Europe underwent several peaceful revolutions.

Europe, ever since the beginning of the process of its integration, has been a open construction, always on the move, always projected towards new objectives and fresh challenges.

In particular, the events that occurred between 2000 and 2007 radically changed the political and institutional framework of our Union. More than fifty years after the establishment of the first Community, and fifteen years after the fall of the Berlin Wall, the Union has taken on a continental dimension.

I have always considered as belonging completely to the past the arguments that were still endorsed at the beginning of 2000, aimed at repositing the choice between the enlargement and the deepening of the Union. It was not in fact a matter of choosing but of convincing, of raising awareness of the historical turning point that had *already* been reached and that the Union had to grasp firmly and resolutely.

Ten years earlier I observed German reunification, so dear to the heart of our friend HELMUT KOHL, from close quarters. As an economist I initially felt somewhat skeptical about the method followed in this operation and its timing, but then I realized what the project was about, of the vision sustaining the operation, and I understood why it has been done. Europe in the late 1990s found itself in a similar situation, but had the great advantage of knowing what had happened in Germany after unification and that it did not have to follow the same procedure, especially in the economic field.

We ought to have *the same sense of History* as that shown by the Chancellor; to allow, as JOHN PAUL II asserted, Europe to breathe with both lungs – West and East – in order to facilitate the occurrence of an event that would change the face of the European continent and profoundly affect also world balances, both present and future.

The historian HOBBSBAWM called last century the „Short Twentieth Century“; it began with the outbreak of World War I in 1914 and finished with the collapse of the Soviet regime. I have a different idea. I believe that the 20th century was actually less short than HOBBSBAWM claimed. It was a century that did not end in 1989, with the fall of the Berlin Wall, but only in 2004, with the anchoring of the Central and East European countries to that community of values and rights that is integrated and determined to preserve and promote peace represented by the European Union.

It is impossible fully to grasp the scope of what has happened since the beginning of the year 2000 if we argue in terms of national thinking since the Union has revolutionized the concept of State and of the relative borders. A revolution that has not been imposed with the sword or with tanks but by ink

flowing on treaty after treaty. However, this ink would have been wasted if these efforts had not had as their basis, background and objective the creation of a great Community with a destiny in which the Europeans desired to join together, while retaining and enhancing their own identities.

The force of attraction is exerted by the European Union more strongly on the populations, who are closer to the Union than their governments. These are the reasons why, as President of the European Commission, I launched the idea of the new neighbourhood policy. Here we have one of the paradoxes regarding Europe: although one people, namely the Irish, owes practically everything to its rebirth in Europe it votes against Europe, or does not vote at all. On the other hand, tens of millions of Ukrainians, Moldavians or Turks want to join it. It is against this paradox that we must react today. Because unfortunately it is a paradox that has recurred too often.

Indeed since 2000, the Europe of the euro, of enlargement, Europe as a new regional power under construction, has experienced some very difficult moments.

In the institutional field, the pro-Europe climate was even less favourable than during the 1990s.

Internal political difficulties have become entwined also with hitherto unknown splits among Europeans on international policy. Constitutional efforts were rewarded with success with the signature in Rome of the European Constitution on 29 October 2004. This success should have been followed by another one, regarding the ratification process. As we all know, this second step failed to materialize after the referendums in France and the Netherlands in 2005. However, this does not mean that the text signed in Rome will not represent a milestone in the integration process and leave its mark on the institutional future of the Union in the same way as, and perhaps to a greater extent than, the 1984 Treaty on the European Union, so dear to the heart of ALTIERO SPINELLI. It was rejected by the governments but had an influence on at least three subsequent treaties.

The European political context was moreover also the result of a particularly heated international context. In an phase of economic uncertainty, in which a few moments of recovery alternated with many of deterioration, the beginning of the European decade took place shortly after the crisis in Serbia and Kosovo, and witnessed 9/11 and the Afghanistan war, was shaken by the 11 March in Madrid and by the state of permanent emergency in Iraq, and

today has to cope with a new energy and global financial shock.

During the same period, the Union was engaged in an almost permanent institutional negotiations.

From 2000 to 2007, Europe worked on three treaties and an equivalent number of intergovernmental conferences as well as 4 negative referendums on its institutions. In this period, as never before, two visions of Europe collided: a stronger, political, Europe equal to the global challenges facing it; and another, weaker, unambitious Europe, defined more as a space of stability and regulation than as a true political subject.

The paradox continues today, with the second Irish 'No'. The Union is left in midstream because it has undergone the required political and institutional evolution. The Europeans take it for granted, as they are unaware of the great benefits that Europe has brought to their daily life and criticize it because it is not complete and proves incapable of providing a true response to their expectations, to their fears, in a world that has undergone many rapid changes.

And yet, Europe was not invented to explain globalization to the Europeans but to defend them from its negative effects and to promote an economic and social model in the World! This European role is even more important in the current world disorder. Europe must integrate notably to become a key international actor and to contribute to a new global governance: we need a real New Deal in a world that has radically changed in the last 20 years.

This is why we must come up with a new narrative about Europe and construct a political community. There must be a few gaps that are not (only) of communication, as we believed for a long time, but rather of limits that we have so far failed to overcome in the construction of a European society! We have to proceed from a „formal“ European democracy to a „real“ European democracy in which the citizens are aware that they can make – rather than be subjected to – fundamental political choices regarding the future „of the most highly integrated continent in the world“.

This is why good institutions are a necessary but not sufficient condition for relaunching the European project.

Today we must construct „the Europe of policies“ and „*the Europe of the new generations*“.

In the absence of any „political“ and „youth-oriented“ response, I fear that each day of Europe’s immobility is a day wasted, a day in which one more young person in Europe will become disaffected with this grand project.

Today’s Europe makes sense for two reasons: (1) because it offers *greater opportunities for the Europeans*; and (2) because it is aimed at contributing to the construction of a world that, in spite of the existing crisis, has the possibility to offer great opportunities for all.

On the first front, that of Europe as a „multiplier of opportunities for the Europeans“ – in particular young people – Europe can succeed if it reappraises the Lisbon strategy. However, this is a strategy that must abandon the ministerial corridors, the desks and computers of Brussels civil servants and academic texts, and become *something concrete* for its citizens, on an everyday basis.

More Lisbon, or a new Lisbon, means giving priority to *mobility, training, research* – which leads to a chain reaction giving priority to jobs, excellence and personal and professional emancipation.

Lisbon cannot be reduced to a question of „finding a job“. It involves *ensuring that the lives of Europeans, particularly the younger generations, are in tune with the „new world“.* Here is an example, one that is perhaps simple but extremely dramatic: how many thousands of young Europeans do not know English – a problem that is still very widespread in some of our countries – and do not know how to use Internet? There is no point talking of nanotechnologies if we fail to broaden the offer available to young Europeans on these fronts.

If we do not transform Lisbon in this way and make it *attractive*, we will not get very far.

The results have so far been minimal. It is true that some progress has been made. *But what is the use of moving forward at one metre an hour when the rest of the world has covered one kilometer in the same time?*

The technological gap between the USA and Europe, for example, is wider today than in 2000! The folly is quite apparent when you remember that we were actually aiming to close it.

Europe’s backwardness compared with the United States in the sector of innovation is apparent at two levels: lower *investment* levels (in Europe expenditure on research and development increased by 5.8% between 2005

and 2006 compared with 8.2% in the United States, which today invest 130 billion euro per year more than Europe, a figure that is still on the increase) and a lower level of *results* as measured by indicators such as publications and science prizes, patents, and the growth of certain innovative industrial sectors (for the sake of example, it is sufficient to recall that in 2003 patents granted in the EU accounted for 15.5% of the world total compared with 52.7% granted to the United States)

What went wrong in the Lisbon strategy? A number of things. However, two are much more important than the others.

No binding mechanisms or sanctions were applied. We cannot entrust our future – which for all Europeans „*will be one or none*“ – to the moods and climatic conditions prevailing in 27 different capitals. Even if we could rely on everyone being in good faith and well disposed, this would not be enough! Suitable mechanisms are required to ensure that the commitments undertaken are duly implemented.

Moreover, present-day Europe is affected by powerful asymmetries, the most obvious of which is the one between monetary union and economic disunion, between a centralized monetary policy and a series of non integrated national policies.

And it is also affected by an obvious incompleteness: a Europe of rules exists but not one of governance. There is a „negative“ form of integration, involving the removal of barriers, but a „positive“ form is missing because of the absence of a „European government of choices“. Today the management of the economy at the European level takes place through three actors and one parameter. The three actors are the Ecofin Council, the European Central Bank and the Commission; the parameter is the Stability Pact. This forms a triangle of rules but not of governance. Essential rules as a form of guarantee and mutual control among governments, but insufficient to allow Europe to grow and fully exploit, at the European level, the potential of the economic and monetary union. The rules must be accompanied by new governance tools, starting from the gradual convergence of economic policies and national budgets and a true unified representation of the euro on the international scene.

Something else that failed to work, and which must be remedied and that only of late have we begun to focus on, is the *external dimension of the Lisbon strategy*. We overlooked the fact that we are competing in the race

with other racing cars called not only (or not so much) USA or Japan, but also China, India, Brazil, South Africa, Korea, Mexico, etc.

We must stop asking whether the Germans, the Poles, the Spanish or the Italians have performed better and start asking instead how Europeans can join together and become better than the Chinese or the Brazilians.

This jolly competition among small nations – which is what European Nations represent in today’s world! – makes me think of another historical period: the Italian Renaissance, when the small states of the time on the Italian peninsula were in competition (and at war) with each other. We all know what this led to: the French and the Spanish (!) arrived and Italy became a land of conquest and occupation. Today Europe runs the risk of having the same sad destiny. ... that is of disappearing from the political map of the 21st century.

Today there is no longer any risk of war or invasion. However, there is a risk of „occupation“ and „conquest“ by the *large emerging countries that „run the risk“ of becoming better than us. The „risk“ of „overtaking“ us.*

The external dimension of Lisbon means many things. One example will suffice: the *attraction of foreign (i.e. non EU) brains*. We must transform Europe into a place where everyone would like to live. And in which not only thousands of unskilled workers or hordes of desperate people – who nevertheless must be taken in and helped and who are essential for our economic and for our society – but also the elites from all over the world. A recent International Monetary Fund survey on the *contribution of foreign-educated individuals* to the development of democracy in their countries of origin – not only developing countries but also the new emerging countries in Asia and Latin America – shows, for example, that *46 of the existing and 165 of the former heads of state and government are products of US education.*

And we must make ALL of Europe like this, not just a few large capitals or regions, but the whole area.

To do this we must *recover the spirit of solidarity*:

- (1) *inside the EU*, which should not translate merely into a transfer of funds, but above all into *shared projects to enhance the territories*;
- (2) *outside the EU*, with the relaunching of a true multilateralism. By throwing on to the scales the FULL force of our cultural, technological and economic clout.

The European Union must not only become a political giant but also a „*local European giant*“. We must bring Europe into the cities, the countryside, into the various world communities – not the Europe of the institutions, but the Europe of the citizens – their drive, their creativity, their values (it should therefore refer to NGOs, companies, academics ...).

The Europeans, above all in times of crisis, have always *displayed not only courage, but also great imagination*. There are few things we can achieve. The latter certainly do include the construction of a more dynamic Europe and world, more just, with more „fields of action“ where the younger generations can indulge their enthusiasm for common projects, and *render their life and that of the others not only worth living but also equal to the opportunities – and the challenges – presented by the world in 2008*.

In two years time WE WILL HAVE MISSED the target we set ourselves in 2000 in Lisbon. Let us do our best not to miss the next one.

Let us decide what we want Europe to do when ‘it grows up’. *Let us decide starting from ourselves*. From each of us present in this hall. Let us ask ourselves two things: (1) where do we want to be and what do we want to be doing in 5 years time? and (2) how can we achieve this thanks to Europe?

And the answers to these questions are even more necessary after the new challenge that will be the consequence of the result of the American elections.

Europe must above all put its chips on young people, on the Erasmus generation, on those who have a quite different relationship than their fathers with borders, languages, travelling and cultural diversity. In order to be relaunched Europe needs a political and democratic pact based on a more solid legitimacy addressed to the new generations.

Europe was born in order to say „never again war“. Yet, for our young people peace is taken for granted and in any case is not a project that can be

used to mobilize them in favour of Europe. In the 2009 European elections those born after the fall of the Berlin Wall will be voting for the first time. Not only the Cold War but also its conclusion is now only a faint memory ... No, today we must underwrite a new pact to cope with the new challenges of our times, such as globalization or climate change and the new threats such as international terrorism. There can be no response to these challenges without a European involvement. And I think that, also concerning these events we shall be stimulated by a new American challenge.

European leaders must display greater courage and show they are more capable of promoting and committing themselves to opening up to a European project. It must clearly be understood that it will be very difficult to achieve a satisfactory political and social governance if we continue to hope to construct it exclusively with summits, with directives, with the revision of treaties, as though governance were something that is exclusively pertinent to the sphere of law and not rather to that of politics.

In the institutional field, clearly two visions of Europe exist – one in which the intention is to proceed towards integration and the other that considers the degree of integration already achieved to be sufficient and even too advanced. For this reason I think the time has come to abandon the dogma of unanimity also in the institutional field. Several hundred thousand voters cannot stand in the way of a shared future for half a billion Europeans. Also any reforms of the treaties must be introduced by a qualified majority vote. This is why, even after the Irish ‘No’, the process of ratification of the Lisbon treaty must continue in the various member states. Once the ratification process has been completed, the 25 or 26 countries ratifying the treaty, and which represent well over 4/5 of the Union member countries, will have to find a political solution that will allow to advance by majority vote along the path leading to the political integration of Europe. *The veto has done its time; we must not be afraid of possible withdrawals from the Union.* The idea of a bridging treaty to regulate relations between the countries that do not ratify the Lisbon Treaty and the others can avoid this dilemma. The bridging treaty would have to envisage the same level of integration as has so far been achieved in the various policies but different institutional and decision-making mechanisms. Once the instrument was set up, the hypothesis of differential integration between two different ideas of Europe could be viewed as less abstract and unreal.

The countries wishing to deepen political integration must show they have the courage and the capacity to pursue new paths, among groups of countries, following the example of what was done on the occasion of the Monetary Union and of the Schengen Treaty.

It is no longer only those who wish to advance more rapidly who have to wait for the laggards to catch up, also the laggards have to speed things up a little. If the laggards refuse to move forward the faster moving must proceed in any case: in other words, a vanguard must be set up which nevertheless never shuts its doors in the face of anyone wanting to join it.

Tomorrow's, continental, Europe, open to more than thirty countries, will increasingly become a „variable density“ Europe on the inside with „mobile frontiers“ on the outside. It will have to guarantee peace, stability and efficient regulation for all the member countries and innovative policies and benefits, in particular in the region closest to it, towards the East and in the Mediterranean. On the inside, for example, in the euro zone, it will have to develop a new body of policies and initiatives aimed at deepening political integration, with the full participation of the Commission and the European Parliament and to which all those who want to be part of the monetary union must belong. On the outside, it is necessary to be able to involve and mobilize as closely as possible all the neighbouring countries, thus creating up a large common political and economic region.

A more highly integrated Europe – one that was a central actor in a new political, economic and human region – would have more clout on the international scene and could contribute to the reconstruction of a true world order which has been absent since the end of the Cold War. Indeed today we live in a world that is both globalized and highly fragmented, in which the growing interdependencies are not being governed, in which the regional blocs will run the risk of reproducing a new policy of equilibrium among the powers rather than lay the foundations for an effective multilateralism as proposed by us Europeans.

In the political field, for a true participative democracy we need more politics. And there is no democracy without political parties.

Parties must therefore become the new driving force behind integration, the new actors in our common political project. Indeed, in Europe, although inadequate, *the institutions have progressed much more rapidly than the parties*. Today, the latter, at the national and European level, are called upon

to shoulder fresh responsibilities because it is from them, from their conception of politics tout court that the future – and the success! – of the Europe we need depends.

We must begin with a truly European election campaign in 2009, in which the various European political forces would have to indicate their choices concerning the political priorities required by Europe and regarding the figures to elect as presidents of the European Commission and the European Parliament. It would then be necessary to encourage the emergence of true political majorities – and minorities – in the European Parliament.

It is essential to introduce more politics in Europe. The world is changing much more rapidly than European politics.

