

## Session 1: Globalization and National Politics: The European Experience in Building Governance

DR JOHN PALMER

DR. GASTALDO

I thank Doctor Kristina Persson very much, first of all for restoring my admiration for central bankers in a country which has been deeply shattered, but also because she has embodied several paradigms which are quite crucial to the Globus et Locus approach in the sense, well, first of all, her personal experience ranging from the European to the global and national down to the local; but I would say that the foundations she created are in fact an excellent example of a non-state actor playing a role as a convener and doing that on a large scale as well as on a local scale and I think that also her sensitivity to networks and to the regional dimension, by regional meaning both supra-national and sub-national probably, is a very important dimension in any approach to re-thinking the problems we are faced with. So now let me give the floor to John Palmer who is in fact in another way associated with what our foundation does, in the sense that we are partners of the European Policy Center, which is one of the most active think-tanks in Europe, and so I'm very glad to have his fresh ideas on the subject.

DR. PALMER

Thank you very much, Piero, and thank you for the invitation to be here at this extraordinarily stimulating event, so stimulating that it requires a lot of discipline to decide which lines of inquiry one should not pursue, however interesting they are, in order to lend coherence to the ones you want to pursue. My task has been made a great deal easier by what we have just heard from Kristina Persson because in a way I want to develop on some of the perspectives that she put forward and I very largely agree with.

I think everybody here will be well aware of the famous prediction Jean Renais made so many decades ago when he said that European integration will just be a stage on the road to a new global order and in a way I'm tempted to say that the emerging new world order will require a further stage in European integration. I mean, one asks the question "What should drive the process of European integration at this point in history?" The first 50 years having accomplished so much - creation, more or less of a single market, important developments like a single currency, important elements of common policy, creation of institutions, widespread wider networks of inter-governmental co-operation - the question is being asked now in the light of economic problems, in the light of the crisis in public opinion, and that maybe the process has drawn to its natural conclusion, and that it is not necessary to think in terms of it continuing. I take a very different view because I think a new global order is emerging: very partial, very uneven as with all human endeavours, not the product of some carefully constructed strategy but in *ad hoc* response to problems that are quite beyond the capacity of individual powers and states to deal with on their own. I'm struck in this world in which we're living by the hollowness and the limits on would-be hegemonies. When I think of Professor Maier's three perspectives, the third put forward of benevolent or not so benevolent imperialism, I find it increasingly difficult to believe, because I don't see what state power, even including the United States, will have the capacity to follow through, to follow through and deliver on even what it has set itself in the way of objectives of restructuring of the global order, and I think that this is a fact that will impell the international community,

thoughtlessly and sometimes illogically, to find other ways of handling collective problems. We have some elements of a global governance system in place, the UN does exist, it is undergoing at least a debate and no doubt Craig Kennedy will develop this at a later stage as to its own reform; and however modest the initial steps that have recently been taken at the instigation of the Secretary General, there is now at least an important debate in many parts of the world about how to empower, make more efficient and even in the end more democratically accountable the UN at the centre of the world system. Persson has spoken about the Bretton Woods Institutions; well they are going through a huge internal debate about how to become more reflective about the new world in which we live. Kyoto does exist however partially, the International Criminal Court has been brought forward, both essentially projects which without the European Union would never have seen the light of day, much of it being European driven. And I must say visiting, as we all do, other parts of the world I am constantly struck by the contrast between the very sombre, and rightly sombre, and low-key debate we have internally about Europe, rightly so, and the extra-ordinary expectations people have abroad for the world about the development of the European Union. I don't exclude China in this. Two or three weeks ago I was at a conference in Juangin and the almost obsessive interest of the Chinese institutes, think-tanks, university people and so on, was "how can we learn some relevant lessons for the process of Asian reconciliation, primarily Sino-Japanese, and how should we approach the already existing initiatives in the region to step up economic co-operation, discussions about security co-operation, potential forms of integration?" - such as the N + 3 China, Japan, Korea, now being joined by India which has taken a conscientious decision that the coming re-structuring of the global system requires them to be part of the nation region, for which reason they need to settle historical business with their neighbours on the Indian sub-continent. We've seen the extraordinary development in Latin America directly linked to the growth of democracy and the decline and overthrow of the [dictators?], and, with all their problems, MERCOSUR; now they end in a community coming together in one part, the African Union, an aspiration, but an important aspiration, in security terms in many parts of the world. I say all of this because I have the feeling that the world is in some ways under the impact of the growing realization of global inter-dependence coagulating into regional *fora* that better give voice and empowerment to parts of the world which feel that they might otherwise be excluded from the consequences of the coming restructuring of the global system, and all of them look - sometimes I fear with exaggerated expectations - to the European Union as a bench mark against which to measure the relevance of lessons and so on. I say all of that because I think that for the European Union I find it significant that our people, our *demos*, our populations, understand one thing very clearly about the European Union, and all the opinion polls - I've seen and I've read a lot of them as people here will have done - including from France, and the Netherlands and Sweden and even Britain (dare I say it?), suggest overwhelming support for a stronger European voice in world affairs. I mean without putting the question confrontationally, do you want a world run from Washington or do you want a world in which others have a bigger voice? Even without putting that question, there is, even among Eurosceptics, scepticism on a variety of issues. A very strong popular support for what you might call the macro-ambitions of Europe in the world, maybe not always with a full understanding of the consequences, but it is I suspect one reason why even during this period of crisis we're living through - and it is a crisis following the Netherlands and French referendums - even so I detect member states are moving, notwithstanding the appalling divisions on Iraq (where, by the way, public opinion was not divided, the *governments* were), that notwithstanding that the governments are moving to strengthen foreign security and even defense policy, they are increasingly giving the Union responsibilities which might not have even been considered a few years ago. Somebody in the European Commission was telling me the other day, who works in an area of development policy, that he now has to attend more security meetings. This is not external security, not being part of the community's competence, that the commission are kept out of, but because you can't keep water-tight compartments between development, soft economic aid, political encouragement for democracy and hard security, they're increasingly

being caught up in discussions which involve them in this broader role. What I'm trying to say is that global inter-dependence, and the problems arising from it, are all forcing the Union to define its policy, putting pressure on the Union to speak with one voice, and when it has not spoken with one voice the political consequences are so tangible and so profound even for all the member states concerned that the counter-pressures to avoid that happening are immense. I think the period we're living through may result in the paradox that the member states are willing to move with Europe further forward in some of the more ambitious areas, while being more reluctant to do so in other areas that might appear less contentious: to take another random example, on internal security such as home affairs, the fight against crime and terrorism, it's clear that further proposals are coming from the member states - Blair even referred to this at Hampton Court in his conclusions - which will give the Union increased responsibilities in this broad area, which is still in the no-man's-land between government co-operation and community legal competence properly so-defined.

So what I am trying to say is that the global governance agenda, or the global inter-dependence agenda, is, I would suggest, a powerful force that is pushing forward the project for European development and co-operation but it brings me to the second major point, stimulated particularly by what we have just heard, which is how this whole process, however it moves forward, is to be more firmly rooted in democratic legitimacy and popular participation. I don't particularly worry, and I think they are a rather inconsequential minority of the people who want to de-construct the European Union or turn the history books back 50 years or whatever. Such people exist, they're not the primary problem. The primary problem are the people who may even agree with these broad objectives but don't see how it relates to them, do not see how the European process can involve them or call upon their judgment at any point.

And here I want to say something that's very controversial, it's a very personal view but one I very strongly hold. As my dear friend and mentor in the European Policy Center, Max Constam, who has worked with Jean Monnet for many years, always says (now that the days of the European benevolent conspiracy are over by which he means the process of building the Union top-down through a de-politicized consensus or a supra-political consensus, one that carries everybody in it before it can move forward, I think that the next phase of European integration must depend upon deepening the sense of choice, choice of direction, that the Union should take and whether it is the challenges posed by globalization - economic, social, security, a sustainable environment, all of them problems that will require the Union to take very important and difficult decisions, it seems to me that we have to structure into this response of the Union to globalization, a deepening of the *demos* and a deepening of the *demos* cannot happen without conflict. So I believe that we need to accept that in future European citizens should be called upon to vote for alternative European futures, not the assumption that this pre-determined future that we have somehow already exists and has got to be explored together. All of us, as it were, holding hands in a common endeavour. That was understandable, frankly, in 1950; it is not because the consensus that bound the citizens to the decision-makers was stronger. Today it seems to me the alternatives need exploring and here I still believe the political parties are key political actors potentially at the European level. And I'll just conclude by saying that of all the things, the many things, that one can worry about with the European Union, the absence of *political* content in the European elections has been the one that's worried me most because they have not been about European choices, they have been a surrogate debate about national politics (do you like the government? don't you like the government?). And all the evidence suggests that, as has already been mentioned, globalization, by shrinking national horizons for politicians, has forced them more and more into the same ideological telephone-box and that is weakening democratic legitimacy everywhere because people say it doesn't matter who you vote for - not in every country to the same degree, but there is this process, - yet at the European level there *is* space for choices and at the global level there will be greater space for choices as well.

So to summarize, I think that the challenge of globalization facing the European Union is that it is in a way going to force the process, put pressure for a greater definition of what the Union wants to do, what it wants to do together and how it is to play the role which the rest of the world expects it to play as a bench mark, not *the* bench mark, but an important bench mark for the construction of a global rule of law, of global governance, global multi-lateral institutions; and internally I think it will require the Union to accept, and its political leaders perhaps to accept, that there isn't one pre-cooked political future, there are all manner of futures that should be open to the people to choose between. We will therefore have to live with something we are unaccustomed to at the European level, increasing argument about the political direction of the Union. Many people worry about the present political complexion of the institutions, commissions, the council of ministers and so on, but it is having the effect of politicizing the process, I can tell you, *vis à vis* the major parties in the parliament. It is that politicization progress which is happening, it's shocking to some people, but I think its healthy and I think it will be an important stage in the consolidation of the *demos* 1 without which we will share all the gloom that has been expressed earlier on about the European project. Thank you.

DR. GASTALDO

Let me thank John Palmer for his stimulating remarks. We are led full circle back to governance through the *demos* but we are also pushed forward, I mean, to think of several open alternative futures for Europe. Let me just add that since Palmer mentioned opinion polls and surveys one of the interesting results of the *Transatlantic Trends 2005* survey that the German Marshall Fund started and we have been glad to join, one of the striking results was the fact that the German and the French public opinions were ready to renounce the idea of a national seat in the UN; this is just to link the themes discussed today to what will be discussed in the next sessions and we're by contrast ready to think of a single European seat with veto power in that context. Britain was not apparently so ready but still it's refreshing to note that in some cases the gap between European public opinion and the leaders does not only take the form of, let's say, regressive populism in some cases public opinion may have more far-sighted ideas on what to do.