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Perspectives from inside and outside of Europe.

A continent in crisis mode?

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The founding promise of uniting Europe was: No more war between European peoples. The promise was not: Any more crises. No doubt: The current state of the European Union is a state of crises:

- The Euro seems to drive rich and poor countries apart, divided between debtors and creditors, North and South;
- The Migration shock showed solidarity failing - between Member states as well as between the Union and its neighbor states in the South;
- A ring of fire is surrounding the Union - Ukraine, Syria, Libya, Turkey and others - where there seemed to be ring of friends ten years ago;
- Growing nationalism has led to Brexit and could possibly lead to other exits or even to destruction of the Union from inside; Peoples' confidence with regard to Europe is more and more dwindling.

Is that European Union doomed to failure? "Do not panic!"

I. Looking inside first:

Take the financial crisis: In July 2012, financial science and Wall Street gave the Euro only six months for life. Five years later it still exists and so does the Monetary Union including Greece.

Member states ran political and financial risks assisting debtor countries to an extent never imagined when the common currency was created. European solidarity, this amalgam of national interest, mutual commitment and European cohesion, proved to be far stronger than expected.

Of course the crisis is still moldering: Mainly in the South economic growth remains anemic and youth unemployment much too high. But while Member States continue quarreling about austerity and reform, the Union created structures and tools for preventing similar crises.

Take the refugees: Instead redistributing along quotas Member states accepted reducing the number of refugees. Some Member states feel their national identities more troubled than some others do. They may to be blamed for that but they are part of the Union not pariahs.

Under intense pressure the Union found a common first answer to the refugee crisis by fences, hotspots, enhanced outside border control, a disputable agreement with Turkey: Not a solution to be sure to what will become the permanent demographic challenge of this century. (I will come back to that later on). But every politician in Europe knows that neither he nor the Union will politically survive another mass migration like 2015/16.

Take the Brexit: It may be historically important, politically painful and economically damaging for both sides. But up to now it did not produce a crisis, not for the Union at least. Why? The United Kingdom is using the legal procedure foreseen in the treaty where it could have left the Union simply by breaching the Treaty. The Union is ready to negotiate the divorce without rancor or rebate in the view of a clear but fair cut.

If however negotiations turned from separation to remain that would fuel withdrawal populism in some Member states. Then the Brexit would turn to crisis. And if Europe showed to be occupied with itself for years after years, the Union would lose respect and influence throughout the world.

The Union's priority is not keeping Britain in but keeping the 27 together. The UK will continue to count in Europe; but it will matter to very much on the world theater any longer, not even for the United States.

So far, the Union has shown an unexpected resilience and a considerably enhanced structural flexibility in the last ten years. Nevertheless, we have to stay cool and vigilant.

II. From inside looking to looking outside:

First: The Union's **neighborhood policy** that intended to produce stability and security around Europe by spreading democracy, market society and association has failed. Both, to the East with Russia/Ukraine and to the South with the "Arabic spring". The approach was too Euro-centric and too conditional. It aimed to absorb neighbors into the European fold rather than foster cooperation which respected differences.

Second: Making **security** a component of Europe's dealings with neighbors in the East as well as in the South calls for a new pragmatic approach: Reexamination of certain truths and principals such as shared values and conditionality; Greater differentiation in dealings with partners to better accommodate their ambitions as well as the goals and interest of the Union and its Member States. Talking about Africa, or the Maghreb, or the Middle East let alone Asia is of different nature and demands a variable geography of European policies.

Third: Europe's **geopolitical surroundings** have dramatically changed. The **USA** will continue to be the invincible but vulnerable superpower in the world. Though America will continue to be Europe's indispensable ally it will undoubtedly not be focused mainly on Europe any longer. Viewing Trump incalculable the Union, without being detached, has to be distinct. Europe is very far from being suitably equipped to take over greater responsibility for its own security - it has to be. It is very far from being able better to deter, respond to and protect themselves against external and internal threats – it has to be.

Russia is the perennial, irreplaceable and powerful neighbor. It takes over western life-style but not western values. Through its policy of geopolitical restoration it is a rival on the Balkans; and a threat to Eastern EU-Member states, mainly the Baltics. After Russia annexing Crimea some Member states preferred to continue “business as usual”, some others preferred delivering arms to Ukraine. That would have split up the Union: A sort of “collateral profit” for Mister Putin. Finally Member states agreed on sanctions – not to force Russia to surrender but to send a clear message to stop. For the first time the Union proved coherence and character in security matters surprising Moscow as well as Washington.

China has become more and more relevant for Europe not alone as economic competitor but also as a political and military power in the South Chinese Sea. China's Silk-Road -Economic-Belt-Initiative serves as an additional impetus for leadership in global governance and regional and local state security affairs. Europe must be ready and willing to be engaged and use its clout to channel China's ambition onto an important part of a rules-based-global-order.

The Leaders of the big Three may not be enemies of the European Union but they are certainly despisers of its relevance. A political deal between them will inevitably be at the Union's expense undermining its inner coherence and solidarity. They may not be guided by the intention to destroy the Union; but if it would collapse they certainly would take that not as a collateral damage but as a sort of a collateral profit.

Listen to three phrases:

*„The fall of the Soviet Union is the biggest catastrophe of the century”
President Putin (spring 2005). Russian future is called New Russia.*

*“We build an Asian-Pacific-Area that the world leads”
(President Xi Jinping on the APEC summit 2013).*

*“Make America great again”
(Donald Trump in autumn 2016).*

*All the same sound: Instead of “Thinking global, acting local” they follow the opposite:
Thinking national, acting global – on the expense of the world first and foremost the South.*

III. Looking South:

Does the World need a European Union? I fear billions of people couldn't care less about Europe keeping together or being torn to pieces. Yet a considerable number of countries continue counting on Europe offering additional options to resist Chinese or Russian or American pressures. On the one side the various agreements between Europe and the South may be here and there inconvenient, imbalanced and unfair. But on the other side they serve the South as an example and anchor in dealing with other powers in the world. The more calculably Donald Trump is going to keep his electoral promises the more the United States becomes incalculable and the more a United Europe is needed by the world.

Without ignoring that the Union will have to invest to a much higher degree in the resilience to the East and to stretching into Central Asia: The South, the continent of Africa, is Europe's "New Frontier". For Europe the great migratory and economic challenges, the great climate challenges, the great challenges of religion and civilisation are playing out over there, in Africa. Security and development are belonging together. Increasing European defense expenditure to 2% must be related to meeting the 0,7% of subsidies for our development partners.

"Migration is the most effective instrument against poverty, says economy Nobel Prize winner Angus Deaton. Some African leaders seem to transfer that theory into an extremely shortsighted political strategy that keeps their countries in humiliating dependency instead of preparing them for equal partnership."

Let us be clear about that: Allowing legal migration is a demographic necessity and humanitarian duty for Europe. But matched with the real size of the problem that will always be a chance only for a few. A mass migration will not be tolerated by European people.

That is why it is paramount that Europe must be ready for a change of its development-policy-paradigm: Stop the foolish and fruitless dance of preaches and victims. Offer values and principles as an option not a model. Deliberate combination of values with indigene history and culture instead of implementation. Europe should see itself as an anchor not as a barque.

IV. Perspectives:

To that ends the Union has to bring its capabilities aligned with its challenges and with its ambitions.

1. The Union is not a State. And so it is lacking strong political and military leadership – by structure not by personalities. Seen from inside as well as seen from outside the Union needs a *new understanding* of its structure: Only the Union *plus* Member states will have a strategical clout; only *through* the Union Member states will matter in the world.

Seen with the eyes of the United States, and Russia and China, Europe may show some smaller diplomatic impact here and there but is doomed to remain a "soft power" and reduced to "second order policy". Yet the Union's global performance is not as poor as it is

frequently seen. It has relevant clout in meeting the world's economic, financial, ecologic and climate challenges. *See also the up to 30 interventions outside Europe ,including 8 military actions.* Due to its structure the Union of states is compared with other big players Europe slow in reacting but reliable in acting. So I firmly believe that the EU will continue to count - and not for the worst.

2. An institutionalized core Europe composed by some geographically defined Member states is a chimera. What could and should become reality is the full use of enhanced cooperation building various cores of various Member states acting together on various policy fields such as Common currency, Defence, Energy, security, taxes a.m. – be it on the ground of the existing treaty or on new separate agreements.
3. Some minor treaty repair is necessary and possible. Yet a substantial treaty reform let alone a new treaty would not open Fairyland but Pandora's Box. There will be neither the unanimity requested by the treaty on substantially empowering the Union; Nor will there be the necessary unanimity on reducing the Union to a pure and simple internal market. Decreasing the Union's political significance will absolutely not increase its attraction to people.
4. The Union will regain peoples' support not by constructing institutions but by acting on policies: Reviving the anemic economic growth and fighting youth unemployment in Southern Member states; Spreading social justice European wide; Remediating the migration drama on the Mediterranean Sea; Surmounting mental reservations and national jealousy in internal security matters; Defending Europe's values and interests and asserting its identity on the world stage.
5. Europe is the smallest continent although it sometimes believes to be very large. Its share of global GDP represents currently 25 %. It will be subject to a downturn, dropping to around 15 %. And Europe faces also a demographic decline: At the beginning of the last century Europeans accounted for 25% of world's population; At the end of this century, Europeans will account for 4% of the 10 billion people on earth. And that is not remediable by immigration.
6. In the middle of the last century uniting Europe focused on preventing European people from further *self-destruction*. In our Century uniting Europe must be focused on their *self-assertion* in the world.

Is the World out of joint? That is frequently said. But it is mainly the European centric view on global changes. The World is witnessing a historic shift of power from the West to Asia. That profound shift is a product of economic and technological globalization and also of -cultural and religious factors. And it is accompanied by the rejection of the western model of a democratic-liberal civilisation that has become less appealing, being viewed as excessively individualistic and materialistic by some. The new world order will not be a western dominated one any longer, let alone a Europe dominated one.

Is nationalism back? It has never been absent. The European Union does not stem from another planet. She has been created by Nation-states. And it is by them that the political fabric of the Union has been shaped to what it is actually. The immense crisis of confidence that people are experiencing with regard to Europe is also a crisis with regard to our nation states.

It is a crisis of belonging to, of identity; of rage instead of courage; of stealthy pleasure in decay and decline; of illusions instead of visions: Can anyone believe a European nation state alone is able to control climate change, secure democracy, remain rich whilst surrounded by poverty and hunger?

I firmly believe that after more than a half a century of uniting Europe the Union will and should be able to play a distinct role that makes a difference in Europe as well as in the world. I firmly believe that there exist sufficient, though different, mental, cultural and social ties, and, last but not least, common security interests, to prevent the Union from collapsing or fading away. For the time being our ambition therefore has to be steadfastness, constancy and character. And not to forget: Cassandras may whisper of dusk and doom, Leaders look into the shadows for a glance of hope.