



POLÁNYI PUBLICATIONS
EUROPE IN A GLOBAL CONTEXT

EUROPE IN THE GLOBAL CONTEXT

II.2017/WP01

iASK WORKING PAPERS
2017

Table of Contents

About the Author	5
Introduction	7
HYPOTHESES	9
I. THE WORLD	9
1. The Nature of Global Change	9
2. Development	11
3. Values	12
II. EUROPE	15
1. The Challenges for the European Union	15
2. The EU and the Fundamental Importance of Solidarity	16
3. EU and the “Rest of Europe”	18
4. Europe and the World	19
Bibliography	23

About the Author

Danilo Türk

Professor of International Law

He is a longtime United Nations diplomat and the former president of the Republic of Slovenia (2007 to 2012). From 1984 to 1992, he was a member of the United Nations Sub-Commission on Prevention of Discrimination and Protection of Minorities as an independent expert and became the first Slovene ambassador to the United Nations, from 1992 to 2000. Between 2000-2005 he was UN Assistant Secretary General for Political Affairs. He was president of the UN Security Council in 1998, and in 1999. He is also a former member of the U.N. Human Rights Committee. In the 2016 UN Secretary General election, Dr. Türk was nominated as a candidate. He has published more than 100 articles in various law journals and books. He is visiting professor of international law at Columbia University in New York City. He is also Chairman of the Global High Level Panel on Water and Peace developing nations.

Europe in the Global Context

Danilo Türk

Introduction

Europe is in a state of prolonged search for its identity and role in a changing global world. This search is often accompanied by doubt and even pessimism. Characteristically, pessimism about the alleged „decline of the West“ has been a constant in Europe, at least since Oswald Spengler’s writings in the wake of World War I. However, the current debate is not “pessimism pure and simple”. After all, Europe has had important successes and is in many ways still the best place in the world to live. The debate today is a search for Europe’s identity and role in the changing world. The essence of the debate was captured well in the John Newhouse’s (1997) seminal book *Europe Adrift* which pointed out the **conflicting demands** of unity, nationalism, economic security, political stability and military realities facing a Europe seeking to redefine itself. (Emphasis added). Indeed, Europe is caught in a situation of conflicting demands.

“Conflicting demands” call for negotiated solutions and management. Negotiations and management have become more difficult in recent years, and the intensity of conflicting demands has grown. The basic reasons for this are easy to detect: The optimism of “post - cold war honeymoon” and its illusion about “Europe unified and free” is long gone. The financial crisis and stagnation after 2008, the problems of migrations since 2011, the situation in Ukraine since 2014 and Brexit in 2016 have further complicated the situation. All this has made negotiation and management of Europe’s conflicting demands more difficult than before. In addition, the globalized world has created a context in which Europe has to define its role and identity in new ways. The results of the US elections in 2016 gave rise to doubts about the strength of the Trans-Atlantic partnership.

These issues have a special bearing on the EU, the critically important part of Europe. The wisdom of Robert Schuman and the idea of gradually, pragmatically building Europe (initially through the coal and steel community and subsequent customs union and the European Economic Community) represents a major achievement and a historically important departure from political, ideological and military approaches that dominated attempts to unify Europe in earlier historic periods. Historically, there was never a shortage of ideas about a unified Europe. However, Schuman’s approach was new for his time in so far as it was pragmatic, seemingly technical and gradual. Today, it is still highly relevant but has to be supplemented by additional ideas, necessary to define an adequate role for Europe in a changing globalized world.

At present, the discussion on Europe in the global context usually concentrates on the European Union and on the dichotomy between the active role of European Union in diplomacy (for example, its role in the negotiations leading to the Paris Climate Agreement) and its shrinking size relative to the world. According to the most recent White Paper on the Future of Europe (Reflections and Scenarios, European Commission, 1 March 2017) the area of the EU that accounted for 25% of the global population in 1900 will account for less than 5% in 2060. No single EU member state will account for more than 1% of the world population by then. The share of the EU in the global GDP in 2004 was 26% and has fallen to 22% in the subsequent decade.

However, discussions focusing on the European Union usually neglect the situation of the

“rest of Europe” (the non-members of the EU in the East and South-East). Other neglected areas are the internal situations of the EU member states, their political, cultural and historic characteristics and narratives. And most important, the fundamentals of EU’s relations with the “rest of Europe”, with Russia, with China and with the US are more often than not only extrapolations from the past rather than reflections about the situation today and for the future. The statistics about the shrinking size of Europe in the globalized world remain statistics.

Therefore, it might be useful to start with a reflection on the global context, its evolution and consequences for Europe and for the EU as an important part of Europe and to propose **hypotheses** for further discussion.

HYPOTHESES

I. THE WORLD

1. The Nature of Global Change

The discussion on the nature of global change is usually focused on the importance of technological innovations, the economic globalization and the resulting changes in the power structure globally. What is often neglected is the question whether these changes are producing a new structure of a **pluralistic global society** and - if that is the case, what is the nature of the emerging pluralism. Some of the most popular authors have chosen the path of simplifications – for example Francis Fukuyama (1989) with *The End of History*, Samuel Huntington (1996) with his *The Clash of Civilizations* or Thomas Friedman (2005) with the optimistic view that *The World is Flat*. Another (and older) type of familiar simplifications is based on the belief that a universal system of values exists that provides a platform for coherent global development and the modernization of societies.

On the other hand, some commentators try to capture the complexity of the global change more comprehensively. In his exciting book *No One’s World*, Charles Kupchan (2012) advanced the concept of an emerging “**multi-polarity plus**”. In his view, multi-polarity does not exist only at the level of power structure of the globalized world but also in **several different, powerful and competing versions of modernity**. This implies a variety of competing conceptions of domestic order and legitimacy and the resulting variety of visions for the future international order.

Managing transformations in a world as diverse as the one defined by “multi-polarity plus” will require responsible behavior on the part of the main players lest the world descends into anarchy. The specific tasks in this context are daunting. They require an understanding that state legitimacy rests on responsible governance and not necessarily on the ideas of liberal democracy. State sovereignty is not outmoded – it only requires a clear understanding that sovereignty means responsibility and that the rule of law is an existential need for the responsible exercise of sovereignty. While liberal democracy is the most likely and time-tested way towards the responsible exercise of sovereignty, it is not the only way.

At the global level, the questions of governance will have to be approached with an understanding of the need for change. Global governance in a multipolar world requires a more equitable process of further globalization. This will include the need to scale back trade liberalization while avoiding protectionism and the need to better regulate financial markets while giving a greater say to the emerging economic and financial powers in global financial institutions. The ultimate objective should be a more equitable sharing of prosperity.

The concept of sustainable development, now almost universally accepted, requires the fullest understanding of the meaning of “sustainability”. Obviously, the environmental dimensions of sustainability remain strong and the need to mitigate the effects of global warming and adapt to these effects is an essential global, regional and national priority. However, sustainability also means social sustainability and a tolerant and responsible discussion of human values.

The latter cannot be ideological. The international standards of human rights should be interpreted with the necessary understanding of the specific conditions in each country in which they are realized. Universality does not mean uniformity but a common aspiration to the highest attainable levels of achievement on the long historic path to “a social and international order in which all human rights can be fully realized” – as stated in Article 28 of the Universal Declaration of Human Rights. Careful and honest contextualization of human rights priorities has always been a requirement for the universality of human rights. It is even more so today.

“Multi-polarity plus” emphasizes the complexity of the contemporary world while retaining the understanding that security issues are fundamental to all policy making and that therefore any discussion of global change has to proceed from a realistic assessment of the global security landscape and the needed and realistically achievable improvements in the global security system.

Security

a. The global security landscape is developing into a multipolar system dominated by three great powers: United States, China and Russia.

We already live in a “Post-West World” (to borrow a part of the title of the 2017 Munich Security Conference – although without the question mark).

What we are witnessing now is a re-emergence of Kissinger’s triangular structure – with a post-cold war twist. China and Russia often appear to be in a “pseudo alliance” (notwithstanding their differences) while the dominance of the US, so clearly expressed in the early years after the ending of the cold war, is visibly waning.

b. Three fallacies that need to be rejected:

- i. US is improvising:** What looks as improvisation in the Trump era is in fact a search for a proper role for the militarily and economically most powerful among the great powers. It cannot lead alone but has not yet found a formula for leading in concert.
 - ii. China is expansionist:** China has often fought wars with its neighbors but never with grand designs of expanding its territory. Its primary concern is internal stability. China will continue to assume its global responsibilities slowly and with care.
 - iii. Russia is a regional power:** Although the collapse of Soviet Union has very significantly diminished the power of Russia, it remains a global power. Russia’s role in Syria and in Middle East is a sign of the re-establishment of its full global role, albeit not strategic parity with the US.
- c. The international legal and institutional framework has been seriously weakened,** as a result of armed conflicts of the past decade, in particular those in Iraq, Libya, Yemen and Ukraine. The international institutions, in particular the UN, have been largely sidelined as a result. This situation is likely to continue until the triangular relations among the major powers reach the necessary level of stability. It will be important to strive for a “**global security compact**” – i.e. a set of agreed approaches to the key security issues of our era – both those geographically defined crisis situations and general threats, such as terrorism and internationally organized crime. Ideally these agreed approaches would be approved by the UN Security Council through a set of

interlocking Security Council resolutions. The existing emphasis on counterterrorism could be the first element of a future global security compact to be followed by agreed approaches to the issues of North Korea, Syria and the wider Middle East.

- d. Seen from a strategic perspective, the EU suffers serious weaknesses.** It remains security dependent on the US and NATO. As a system of states, the EU is unable to formulate a single foreign and security policy and even its common foreign and security policy is seriously flawed. Its economic clout is hampered by political decisions such as the sanctions against Russia. Its role as the main donor in the fields of development and humanitarian assistance makes the EU indispensable, but does not create power nor an adequate level of political respect. It is strategically dependent on the US and there is very little if any reason to believe that this strategic dependence will be replaced by a viable alternative. While an attempt at a global military power status for the EU would be unrealistic it is also undesirable given the fundamental convergence of interests of the US and EU in a changing globalized world.

Therefore, it should be concluded that the real strength of Europe lies in the area of economic and social development and, above all, in the strengthening of its economic cooperation with other economic centers of the world. This way the European Union can further strengthen its international role without undermining the vitality of the Transatlantic Alliance.

2. Development

The global development landscape is changing with profound geopolitical and security implications. One of the most visible effects was noticed, interestingly, in the context of evaluation of the UN Millennium Development Goals: The relative success achieved in the period 2000-2015 denied the dire predictions of the year 2000. This was largely due, however, to the massive improvements in China and India where hundreds of millions of people were lifted from extreme poverty. Asia has definitely placed itself in the position as the powerhouse of global economic development for the future. This creates important opportunities that must be seized.

- a. We already live in the world of Eurasian opportunity.** This is not entirely surprising. Seen from a long term historical perspective, Asia has been the most affluent part of the world for centuries. Its inferiority to the West lasted only about two centuries and started to end after World War II with the independence of India and revolution in China. Each of them established an industrial base in the subsequent decades and opened to international trade in the 1980s. China’s GDP grew by 9, 7 percent per year between 1980 and 2016 and India by 6, 3 percent per year. Recently its economic growth of 7, 6 per cent per year, is slightly more than the current growth of China. For Europe this represents an opportunity of historic proportions. According to the 2015 figures, EU exports to Asia already amounted to \$659 billion per year while the exports to the US were at the level of \$446 billion.
- b. The future is even more promising.** The distances for trade are shortening and the prospects of massive connectivity are growing. In part, the shortening is a result of otherwise unfortunate global warming. The Northeast Passage in the Arctic Ocean will cut the shipping distances between East Asia and Western Europe by 25 per cent and shipping times by up to half.

However, the main opportunity lies in the long-term direction of China expressed in

the One Belt, One Road Initiative, more recently called **Belt and Road Initiative**. The initiative includes building of transport, communications and energy infrastructure to connect East Asia with large areas in Asia and Europe as well as with east Africa. China has also put forward a new financial institution to support the large infrastructural projects – the Asian Infrastructure Investment Bank.

The Belt and Road infrastructure is expected to be built to promote access to renewable energy through long distance transmission lines, low carbon transport via advanced technologies for vehicles, rail and shipping, and energy efficiency through internet based smart systems. Its opportunity is not only in the volume of potential investment and economic cooperation but also in the quality thereof. Belt and Road should be developed to help greening the future economic development.

- c. The key concept is **connectivity** which should, as Chinese strategists suggest, help aligning and coordinating development strategies of countries along the Belt and Road, develop the market potential, provide investments and create job opportunities, and enhance cultural and people to people exchanges. In short, **connectivity** is described as the key to a major economic, social, cultural and, eventually, political transformation of the Eurasian space.

For Europe, in particular for the European Union, Belt and Road represents the main long term economic opportunity. The EU should quickly formulate a **new Asia strategy based on economic cooperation and connectivity**. However, a new EU-Asia strategy does not have to come at the expense of cooperation with other partners, in particular the US or the established EU role as the main donor of development and humanitarian aid. Any policy making is about the correct setting of priorities, and the time has come for Europe to set its Asia strategy very high on the list of its priorities.

3. Values

Traditionally, the question of values has been important for Europe and its global cooperation. Since World War II **these questions were concentrated around human rights and their purported universality**. The basic platform was established in 1948 with the Universal Declaration of Human Rights, defined – by that landmark international instrument – as “...a common standard of achievement for all peoples and all nations...”

Human rights have had an enormous transformative potential – as experienced most recently in Eastern Europe, in Latin America in southern Africa and elsewhere. After the ending of the cold war **the idea of the universality of human rights** expectedly gained in strength. At the World Conference on Human Rights held in Vienna in 1993 the idea of the universality of human rights was strongly emphasized, albeit in a form that recognized the right to development, an erstwhile disputed concept, as a part of universal human rights.

Today, however, we live in an era of doubt. Human rights are less central, less respected and more openly violated than before. Violations of international humanitarian law have become more pervasive and the horrific practice of genocide has returned – largely unpunished. In “ordinary politics”, hypocrisy and double standards are rife. The language of human rights is easily learned and exploited by political actors without responsibility or commitment. At the same time, prejudices continue to exist, but they are just expressed differently. Political correctness has corrupted political speech. **The talk about values is superficial and rings hollow**. In many parts of the world democracy is eroding.

A good example of the complexity of implementation of human rights today and the sensitivity of making human rights values meaningful in foreign policy is offered by developments in Myanmar: The hero of human rights and Nobel Peace Laureate Daw Aung San Suu Kyi, currently State Adviser (and de facto prime minister) of Myanmar, recently rejected the decision of the UN Human Rights Council to send a factfinding mission to her country.

For the European Union and Europe more broadly, human rights continue to be the glue and the essence of the value system on which its states base their mutual relations. They need to think hard about how to strengthen them at home, including by the strengthening and possible reforms of the Council of Europe.

At the global level Europe has to rethink its priorities in the human rights agenda. Far more attention needs to be given to economic, social and cultural rights and to the principles of equality and non-discrimination.

Moreover, Europe has to deliberately abandon its preaching tone and understand the real problems of human rights resulting from poverty, still prevalent in the developing world. The right to development has a real meaning for millions of people and human rights policy must be informed by the social and economic context in which it is expected to function for the improvement of the human condition. The rule of law and its institutions are the most important foundation for building the edifice of human rights.

II. EUROPE

1. The Challenges for the European Union

The European Union was established as the centerpiece of modern Europe. However, the recent crises (financial crisis, migration crisis and Brexit) have challenged its role and even its internal structure. These are serious problems and their effects are likely to last. While **the challenges of today, such as Brexit do not amount to an existential threat, they are a strong reminder that the legitimacy of the EU is seriously questioned.**

The European Union rests on “**two legs**”: **the sovereignty of its member states and the common institutions of the EU.** Sovereignty has not been abandoned in any of the member states, and all states recognize the need for effective common institutions with some supranational powers. The problem of this edifice is that both “legs” vitally depend on each other: if one of them collapses, the other will also suffer, or, perhaps even collapse. Therefore, the efforts to meet the challenges need to address both questions, i.e. “both legs”.

The basic and continuously relevant requirement incumbent upon the **European Union is to define its attitude towards the basics of statehood**: self-determination of peoples and the sovereignty of states. While the former task will likely remain elusive, and clear solutions remain unlikely, the latter has to be stated clearly. Europe as a whole and the European Union as its centerpiece require **respect for and the responsible exercise of state sovereignty** for the successful further development of the entire European area and for its productive engagement in the globalized world.

Discussions about internal EU reforms have to be conducted in a realistic and responsible manner. **Federation is not an option.** It is not desired by the people nor by the majority of their political representatives. A European *demos* does not exist, while the *demos* in each member state does. State sovereignty has to be interpreted in terms of responsible policy making that includes solidarity. Without the deliberate commitment of national leaders in the EU countries to solidarity and serious policy making guided by solidarity, the entire project can be put in jeopardy.

For the European Union this means that the Union has to develop new internal arrangements while carefully respecting the individual identities and sovereignty of its member states. How exactly this should be done remains open and the answers are likely to emerge only in the process of day to day policy making. A new grand design is not likely, and probably not even possible. General scenarios have only a limited usefulness – they can, if adequately designed, provide a useful conceptual framework for discussion but not a blueprint for policy decisions. The usefulness of such scenarios is indirect at best.

With this caveat in mind it might be useful to think about the “White Paper on the Future of Europe – reflections and scenarios for the EU 27 by 2025” published by the European Commission on 1 March 2017. In that document the Commission proposed five scenarios. These scenarios are: (1) Carrying on; (2) Nothing but the single market; (3) Those who want more do more; (4) Doing less more effectively and (5) Doing much more together.

The scenarios imply a diagnosis of the current problem of the EU – its stagnation and a need for a clearer direction. As such they invite comments on the perceived viability and desirability of each of them. Two of the scenarios are clearly undesirable: **scenario 1, “carrying on”** (i.e. keeping things as they are) and **scenario 2, “nothing but the single market”**. On the other

hand, **scenario 5, “doing much more together”** doesn’t seem to be viable, at least at the present stage.

The remaining two scenarios – **scenario 3 “those who want more do more”** and **scenario 4, “doing less more efficiently”** seem more promising and are the subjects of a lively discussion. Obviously, the scope and content of what constitutes “more” and “less” remain to be discussed. The problem with scenario 4 is that “less” may mean actually less than what is being proposed in the White Paper. The other realistic alternative – “those who want more do more” (scenario 3) could also be considered as possible, provided that “more” is agreed to by all, so that nobody is excluded and everybody can join “the more” when ready.

It is quite possible that a **new, sixth scenario** will emerge as a result of political events of this year (elections in France and Germany, the two core countries) and subsequent discussions. It is also likely that the final outcome will result **in an EU of variable geometry**, a system of several circles open to member states who satisfy criteria to belong to a particular circle while the option for others to join under the same conditions remains open. It is difficult to predict the outcome. As before, the EU is likely to change through a sequence of incremental changes rather than as the result of a single, generalized reform project.

Two fundamental questions will have to be addressed in the process: **First, how to rearrange EU finances after Brexit.** The post-Brexit debate on finance will provide an opportunity to review the policy of farm subsidies and to update the cohesion funds.

Second, how to ensure the flexibility of the new “variable geometry”? Cementing permanent divisions in the EU (“North and South”, “East and West”, “Center and Periphery”) would be harmful and need to be prevented. The mechanisms to do so are yet to be proposed. This problem has to be recognized clearly and discussed openly. All three divisions have emerged to some extent already and none of them should become permanent. Among them the division between East and West seems the most dangerous as it is the most real – the differences between the rich West and the poor East remain, irrespective of changes of the past decades. The danger of permanent and deep divisions within the EU requires a careful thought and discussion of the fundamental requirement for the functioning of the EU – to the question of solidarity within the EU system.

2. The EU and the Fundamental Importance of Solidarity

There is a single underlying question to the whole edifice of the European Union – the question of solidarity. Throughout its history, the process of European integration coincided with the fate of the welfare state and there has been a positive correlation between the two. The national welfare states were the main driving force of integration and the source of optimism associated with the European project. The “European way of life” has been and still is inextricably linked with the social welfare state and hence with solidarity. The decades of dominance of neoliberal thought and practice in politics and economics in our era have not destroyed this core value of European integration.

However, the economic, technological, geopolitical and societal changes have created the need for new forms of European solidarity. In many countries of the EU the imbalances in the wellbeing among regions or within regions (i.e. at the sub-national level) have created political problems. The most visible expression of such problems was the Brexit vote which happened due to the widespread feeling of people in large parts of the UK that they have been left behind. This feeling was compounded by fear from the imagined threat of immigration.

Discrepancies among regions and within regions exist in other EU countries as well and they have had an impact on elections. This has contributed, in a significant way, to the growth of contemporary populism and to the erosion of legitimacy of the European Union.

This experience showed the importance of the need to strengthen territorialized economic development policies and integrating those policies in a manner that fosters development in general. For the EU this represents an acute challenge. On the one hand, it emphasizes the importance of cohesion policies, while on the other it radicalizes the need for reform of these policies so that they will be better able to respond to the dramatically changing needs of our era. In addition to inter- and intra-regional discrepancies in development, the EU has to help to solve another, more general problem – the inter-generational discrepancies and youth unemployment.

The inability of the current cohesion policies to effectively address these issues should not lead to the conclusion that they have to be abandoned or seriously reduced. Quite to the contrary, they have to be reformed and strengthened – as explained in detail in the recent EU studies such as Marjory Jouen’s policy paper “Solidarity 2.0” (Jacques Delors Institute, 13 June 2017).

Reforming cohesion policies will require four different tasks. The EU bodies will have to revisit the convergence objectives in the light of current realities – such as disparities of development at the sub-regional level and the specific problem of youth unemployment. It is not clear whether EU bodies are prepared for a task of this depth and magnitude. However, it is clear that these problems have to be resolved and that effective activity in this domain will require close cooperation between local, regional, national and EU authorities. The principle of subsidiarity should function here in a more comprehensive policy framework than before.

Second, the question of income inequality within societies has to be addressed. Here, the role of EU member states will be indispensable. Income inequality is highly culturally sensitive and the perceptions of inequality do matter. It is difficult, therefore, to address it directly and with a single policy approach, for example by a single tax policy in all EU countries. It could be addressed in a variety of indirect ways, including by strengthening basic social services for all. The EU should encourage wise policy making of governments by carefully targeted assistance to (locally defined) investment in the improvement of the quality of education and health as well as in environmental protection and technological progress. The educational systems should be stimulated to provide knowledge and skills for current and future development needs. The role of national authorities will continue to be central, but the EU should be better able to help.

Third, the strengthening of the European monetary system, which is likely to deepen divisions in the European Union, should be accompanied by support along the lines of the 1992 objective for the internal market.

And fourth, the relationship between solidarity and competitiveness has to be revisited. The extension of the single market should include a “social impact assessment” and the adequate reshaping of the solidarity mechanism.

Admittedly, all this constitutes a tall order. However, the preservation and strengthening of the legitimacy of the future EU requires no less.

3. EU and the “Rest of Europe”

The EU is important but it is not the whole of Europe. Europe without its East (Ukraine, Belarus and Moldova) and without the Southeast (countries of the Western Balkans) is not really Europe. All these countries must have a “European perspective” and the opportunity to join the EU – in accordance with their wishes and abilities to fulfill the criteria for membership. Russia, a great power with both European and Asian identities, is in its own category of partnership with the EU.

The cooperative arrangements with countries of the “**Eastern partnership**” will require a **substantial review and redefinition**. Each of the partnership countries is in a different situation: Belarus, Ukraine, Moldova, Georgia Armenia and Azerbaijan. Moreover, the Eastern partnership has to be developed with an understanding of future cooperative relations between the EU and Russia. **The Eastern partnership should not be a buffer or a new “cordon sanitaire” vis-à-vis Russia** but rather a **bridge** that allows for the legitimate interests of both the EU and Russia to be exercised in the future. The question of a **modern version of permanent neutrality** of the states concerned needs to be explored, being understood (as earlier) **that permanent neutrality will not be incompatible with future EU membership**.

Russia is part of Europe – in terms of culture, history, economy and a political role in the European cooperative arrangements such as OSCE and NATO-Russia Council. At the same time Russia is also an Asian country in terms of its geography and geopolitical situation. **Russia is a global power** and must be recognized as such. **Policy decisions which amount to the humiliation of Russia are counterproductive** and should be avoided. Russia will not be a candidate for EU membership and therefore shouldn’t be judged by the criteria of candidate countries.

The current wave of criticism of Russia is a cause for concern. The unfettered accumulation of criticism leads to the spreading of Russophobia, an obstacle to sensible policy making.

Another set of problems is posed in the Balkans where five out of seven successor states of the former Yugoslavia, for various reasons still wait for a serious opportunity to join the EU. Clearly, membership criteria will have to be met. However, the protracted nature of the process and the element of political prejudice that can be detected in discussions on further enlargement of the EU suggest that slow implementation of membership criteria is not the only obstacle. Macedonia, in particular, feels that in fact it cannot count on EU membership any time soon – for the rather bizarre reasons of opposition by Greece which the EU is unable to handle. The problem of the Balkans will have to be addressed comprehensively by the EU and that will have to **include the question of the implications of the stalemate in the Balkans for the security of Europe**.

And finally, there is the volatile situation of **Turkey – a major “country in the middle”**, a country surrounded by areas of great diversity in their political, economic and security identities and problems. In addition, the internal developments in Turkey following the attempted *coup d’état* in 2016 became a cause for concern. All this makes the question of future EU-Turkey relations uncertain. In addition, and as a result of experience, Turkey may have lost much of its erstwhile interest in becoming an EU member state. **Defining the future relations between the EU and Turkey is likely to be a long slog.**

4. Europe and the World

The preceding paragraphs have sketched out some of the key features relating to the situation of Europe in the world. Without entering a detailed discussion, it is possible to identify the main thematic questions, leaving aside, for the moment, more specific questions of the policy dilemmas of individual actors such as the EU and the individual European states.

a. Security

It is understood that the whole construction of Europe requires a solid basis of security arrangements. In its security Europe is and will remain largely dependent on its transatlantic arrangements as well as on its relations with Russia and on the relations between Russia and the US.

The underlying security concerns and the future of transatlantic relations have to be reflected upon on the basis of the hypothesis that **the new US administration opened a space for a fundamental discussion on the security system in Europe**. This should include a discussion on the necessary reforms of OSCE and of the NATO – Russia arrangements.

European states and the EU should seek an active role in the process of rethinking the European security system that is becoming increasingly necessary for the maintenance of global peace and security. It would be interesting to see whether the EU is able to reflect collectively on a reform of the OSCE with an aim to transform OSCE into a viable system of prevention of armed conflicts in the OSCE area.

The European Union and European states must be careful not be put in the position of an object of great power politics. This is a particular challenge for the EU. Its common foreign and security policy faces limitations from outside and from within. They are well known and they define the limits of the EU’s own policy making. Nevertheless, **the EU should strive to develop its policy instruments in new ways**. For example, after Brexit the EU should explore the future role of France as a permanent member of the UN Security Council and whether this could expand the EU’s scope of action as a whole and in a manner which will, when necessary, distinguish the EU approach from those followed by other permanent members of the UN Security Council.

b. Development

The EU is the centerpiece of development in the entire European space. **Important issues of development have to be dealt with within the EU:** Youth unemployment has very serious consequences on the entire future development. The unresolved questions of the Eurozone and its banking, as well as the unanswered questions regarding future fiscal coordination and possible fiscal union will continue to characterize the entire politics of the EU. Its internal market needs to be developed further. Brexit will require reforms of the budget. This will reopen the questions of agricultural subsidies and cohesion funds. And **the question of solidarity is being posed in new ways as explained above**. All these questions will dominate on the EU development agenda and influence policy making with regard to the world.

The “new silk road”, i.e. the Belt and Road initiative declared by China will represent an historic opportunity for Europe that must be seized, as discussed above.

At the same time, the **opportunities in Russia have to be explored more fully.** The EU can bring its positive influence to Russia by expanding and deepening cooperation, not by sanctions. There is no discernable benefit of sanctions. As we know from experience gained in the UN and elsewhere, sanctions are a blunt instrument that produce complications for the business sector and often hardship for ordinary people but very rarely help changing the policies of the targeted governments. In addition, sanctions are usually easier to impose than to lift. Therefore, it would be wise to introduce, within the sanctions regimes themselves, appropriate mechanisms that would enable the suspension of sanctions and make their lifting a realistic option. Otherwise the “culture of sanctions” sets in and makes sanctions a permanent feature, independent of the actual realities.

Sanctions against Russia have to be reviewed and suspended without too much delay. Subsequently, the lifting of sanctions should be made a realistic possibility. This should be done in a parallel process of integrating Ukraine into European development. In order to achieve that, the political status of neutrality of Ukraine and a cooperative arrangement with Russia will have to be defined without too much delay. Admittedly, these are political tasks of great magnitude. However, they are also necessary tasks for the future development of Europe.

Finally, Europe needs to remain a major player in global development, from climate change to development assistance. The latter must include policies focusing on development in Africa. The increasing refugee crisis affecting Europe is a result of a number of problems that the European Union and Europe more generally can help resolving. Intensified investment is needed in peacemaking, peacekeeping, post conflict peace building and in African development more generally. The G20 partnership with Africa, approved at the summit in Hamburg last month represents a potentially important step in that direction.

c. Values

The general understanding of the notion of “European values” relates to four elements: (1) The rule of law; (2) Human rights, (3) Liberal democracy and (4) social solidarity. None of these values (or systems of values) is exclusively “European”. All of them, with the possible exception of liberal democracy, are shared to some extent with political systems and traditions in other parts of the world. However, the exact measure of “sharing” these values is not easy to establish and often the attempts to define it are blurred by political interest and other considerations such as geopolitical realities. This explains, for example, why the UN Human Rights Council includes countries that are flagrant and massive violators of human rights and why some among them are rarely criticized for human rights abuses.

These characteristics of sharing of “European values” have important consequences for the understanding of the nature of various international mechanisms. They could be described as largely falling into two categories: The “bridging mechanisms”, such as the UN, G20, WTO, the Bretton Woods institutions and OSCE and the “core values” institutions, such as the Council of Europe and the EU. It is important that the “bridging institutions” do the bridging well and that the “core values institutions” remain faithful to their values at home which gives them strength and legitimacy to engage with others in the context of “bridging” and contributing to the expanding space for the sharing of values.

In the first part of this paper reference was made to the weakening of the idea of universality of human rights. In part, this has to do with the weakening of human rights in the areas of “core values mechanisms.” The erosion of values represents one of the problems of Europe in the global context. Europe, in particular the EU, is increasingly seen as a region where people do not always do what they preach. Double standards are a reality in global discussions of common, universal values. Europe must not underestimate the deterioration of its image in the globalized world. The struggle for values begins at home.

Today, Europe is going through a time of political turbulence and change which challenge the core nature of the four basic categories of European values. Social solidarity has been under stress for decades as a result of the prevalence of neoliberal ideology and the resulting economic policies. Liberal democracy has been openly challenged in at least one EU member state and, indirectly, by the rise of contemporary populism more generally. The reports of the Council of Europe describe the growing challenges in a number of areas of human rights, including in the area of freedom of opinion and expression and the right to fair trial. The legislative changes in some countries, calculated to weaken the judicial authority affect the strength of the rule of law both adversely and directly.

The problem is essentially a political one. European Union countries and Europe more generally are going through a process of political change that challenges the earlier political expectations. Even in the EU countries with the longest tradition of predictability of political processes, unpredictability has become a new normal.

Much of the changing nature of political processes and their outcomes in the EU countries is ascribed to the rise of “populism”. This characterization *per se* does not explain much about the nature of change. The rise of populism represents a political expression of a fundamental divergence in the European Union politics, the split between the holders of nativist, nationalist, ethnic exclusiveness and proponents of cosmopolitan openness. This divide has to do with age, education and the general success and well-being of people at the time of economic liberalism and globalization that produced winners and losers. The European Union itself and its institutions are right at the center of this divide: the advocates of openness are promoting the EU’s declarative goal of an ever deeper Union (scenario 5. among the scenarios presented by the European Commission on 1 March 2017) while the populists demonize the EU as a bureaucracy that impinges on state sovereignty.

Neither of the two sides can ultimately prevail. The election results earlier this year in the Netherlands and in France have demonstrated the electoral limits of populism. The elections in Germany and Austria will provide a further insight into the question of the power of contemporary populism. However, even when populists don’t win elections they influence the programs of political parties competing with them. The situation is likely to remain unclear beyond the end of 2017. Subsequently the programs of newly elected governments and other political developments might bring more clarity.

The struggle for the preservation and, when possible, strengthening of the core values of the European Union will have an important effect not only for the countries of the EU but for broader Europe and for its role in the world. Let us therefore take an optimistic approach regarding the tasks ahead. They can be summarized, in a nutshell, in the following way:

- In the areas of the rule of law and human rights the EU member states have to give serious consideration to the work of the Council of Europe, its analysis of the ongoing situation of human rights and the rule of law and the rulings of the European Court of Human Rights. This is easier said than done given the diminishing influence of the

Council of Europe in European politics. The leaders of key EU countries should take the lead in the much needed effort to strengthen the Council of Europe.

- In the area of social solidarity the EU will have to find ways of *aggiornamento*. As explained earlier in this paper solidarity remains the essential glue of the European Union and it needs to be updated in light of the changing situations. It is important that the much needed changes strengthen, not weaken the understanding of the vital importance of solidarity for the future of the EU project.
- Liberal democracy has to be fought for. There is no place for complacency. The belief that democratic systems always balance themselves at the end may be well founded but should not be accepted as a given. Overconfidence and complacency represent the main weakness of democracy. In fact, the quality of democracy is always tested and regressions are costly even if not tragic. Democracy has to deliver – both material well-being and the larger scope of freedom.

A Europe that proves capable of defending its core values and adjusting their operation in the contemporary circumstance will, by this very achievement, make a significant contribution to the improvement of the globalized world.

Bibliography

European Commission (1 March 2017). *White Paper on the Future of Europe – reflections and scenarios for the EU 27 by 2025*.

Friedman, Thomas (2005). *The World is Flat*. New York: Farrar, Straus, and Giroux.

Fukuyama, Francis (1989). “The End of History,” *The National Interest*.

Huntington, Samuel (1996). *The Clash of Civilizations and the Remaking of World Order*. New York: Touchstone.

Kupchan, Charles (2012). *No One’s World: The West, the Rising Rest, and the Coming Global Turn*. Council on Foreign Relations. Oxford and New York: Oxford University Press.

Marjory Jouen (13 June 2017). *Solidarity 2.0*. Policy Paper 196. Paris: Jacques Delors Institute. <http://www.institutdelors.eu/media/solidarity2.0-marjoriejouen-june2017.pdf?pdf=ok>

John Newhouse, John (1997). *Europe Adrift*. New York: Pantheon Books.

