

FIVE YEARS AS PRESIDENT OF THE EUROPEAN COUNCIL

Herman Van Rompuy | *president of the European Council (2009-2014)*

This Tribune by Herman Van Rompuy is based on his speech on 25 November 2014, during a conference co-organised by Notre Europe - Jacques Delors Institute and Sciences Po Paris. He took stock of his five years as president of the European Council and focused on three major political responsibilities: speaking the truth, creating hope, and instilling and ensuring trust. His speech was introduced by Pascal Lamy, honorary president of Notre Europe - Jacques Delors Institute, after a welcome address by Frédéric Mion, director of Sciences Po and before a debate with the audience moderated by Yves Bertoncini, director of Notre Europe - Jacques Delors Institute. A Synthesis of the conference will soon be available. Herman Van Rompuy also held a [speech](#) in a similar conference at the beginning of his term of office, on 20 September 2010.

It is always a pleasure to come to Paris, a city without which, France would not be what it is, a city without which Europe would not be what it is - and to be here Sciences Po (Paris Institute of Political Studies), where I already expressed myself in public once before, in September 2010, also at the invitation of "Notre Europe".

I wanted to come here during what is the last week of my five-year term as President of the European Council, and even, without meaning to be dramatic, the last week of my political and public life altogether...

Renewal is simply a principle of life, and certainly a principle of democratic political life. But of course there is also "this inevitable nostalgia that goes hand in hand with all the major stages in life".

I therefore wanted to be here in your country, France, among you, students in Sciences Po, of whom many come from other European countries to be in this institution, exemplary in its international openness. I wish to share with you some experiences and perspectives after five years spent at the heart of our Union.

I believe that the "two-part plan" is no longer compulsory in Sciences Po, and so I will do it in three parts, that I will base on three major political responsibilities.

Firstly: speaking the truth, regarding our situation and the efforts required; secondly: creating hope, particularly by mobilising all our economic levers to renew economic growth. And thirdly: instilling and ensuring trust - trust between countries, between institutions, between leaders. In European political, this is crucial.

Speaking the truth, hope, trust: these are the tools of politicians, men or women; fragile, sometimes powerful tools, but vital in any case.



1. Speaking the truth

1.1. The impact of the crisis on the European idea

In France, the word "Europe" no longer resounds with the force of old, it no longer resounds like a promise, like a call evoking hope, evoking history. Of course this also holds true for other countries. There is disillusionment regarding the European idea: to deny this would be irresponsible.

We should avoid generalities, as they are always misleading, but for the past five or six years "Europe" has become unpopular among Europeans. It is said to have become the Trojan horse of globalisation; or an

intrusive entity, meddling in national business; or even it is said that it sends countries hurtling into austerity and poverty.

Granted, when facing the same uncertainties, others have high expectations and call for “more Europe” - to improve the quality of their lives, to stabilise the euro area once and for all, to accept all the consequences of the choice of a single currency.

What strikes me in this discourse, in France too, is that Europe is almost always presented as something from outside. “Brussels” is seen to be tantamount to a far-away planet, populated by Eurocrats that are indifferent or even malicious. This is surprising. As if France, or whatever Member State, was a colony dominated by an anonymous city! Europe, is you, Europe is us! - I shall come back to this later.

Hidden behind these various experiences and expectations is, in my opinion, the same awareness. For five years, in a time of crisis, the citizens discovered what it really means to live in a Union. Sharing institutions, sharing a market, and especially, sharing a currency. For the first time, they have the feeling of being in the same boat - which has sometimes seemed like a “drunken ship”... Especially for euro area members, “Europe” is now more tangible, more visible, more present than ever.

Let us not forget that until the 1990s, Europe represented an ideal of peace. The project inspired enthusiasm, but only directly affected a few categories of citizens. With the euro, the EU became part of everyday life, in the very pocket of hundreds of millions of people. Tangible reality always attracts more criticism than dreams.

I say it without hesitation: I understand the indignation of all those who did not realise, in 2008 and after, that they had been badly governed in the past, and that unacceptable risks had been taken by the financial sector. I understand the exasperation of governments, struggling with debts they have inherited from their predecessors, and also the frustration or the anger of many regarding unemployment or loss of income.

But, together, we have to deal with a new reality - a new Europe in a new world. Speaking the truth begins with this glaring truth: we cannot go back. The world has changed, globalisation is a fact, the Berlin Wall has

fallen, the EU has enlarged, the euro is here! We cannot go back; we must face the future together.

What inspires me is that the younger generations, although they have been hit harder by unemployment, seem to be more at ease with these new realities. Few peoples are nostalgic about pre-1958 compartmentalised Europe with its borders; and nowhere (not even in Greece) does a majority want the return of the plethora of national currencies.

1.2. *Populism and reforms*

Everyone knows that far-reaching global changes are underway in the economy, in technology and in demography. One can understand why people are worried. With global competition, uncertainty reigns as regards employment and social welfare. Social progress from one generation to the next is no longer obvious. Expectations have been shattered.

It is not only a question of economics: cultural changes are also at play. Never before in their history have Europeans had to face so many changes in so little time. Never before have the perceptions of heaven and earth, of life and death, of man and woman, of love and fidelity, of family and friendship, of work and rest, of home and abroad, of richness and poverty evolved so quickly as in the past half century.

Disorientation can fuel anxiety, solitude, a feeling of loss of control. Populism, fuelled by this blend of change and of fear, is much older than the debt crisis and much more extensive than the euro area.

As a Belgian politician, I have a certain experience with regard to populism; in my region, Flanders, a far-right party won 24% of the votes in 2004. A similar electoral phenomenon took place in Austria as far back as 1999. And it is not here in Paris that I need to recall the score of the National Front in the 2002 presidential elections... Furthermore, trends in democracies as diverse as the United States, Switzerland or Norway show that the EU Member States are far from being alone in this regard. Fear, *die Angst*, dates back to well before the crisis.

For me, populism is the false promise of a restored identity, the illusion that by closing a barrier we can stop things, the lie that you can survive in a globalised market, alone and without making an effort. Populists offer an outlet to fear, to anger and resentment. Their

success on the political market also highlights the short supply in terms of opposition. It reflects a crisis of traditional politics in many countries.

Faced with the changes of today's world, people know that certain things in our societies will have to be adapted. But it is never easy to decide what exactly to change, when and how. And we are paying the price for the inability of our societies to decide. People blame globalisation, but more often than not its "victims" are in fact those of the reforms that were not carried out in time. The longer we wait, the worse the problems will be. This could be likened to a vicious circle: no political trust means no mandate for change. But no change will bring us to the brink of the abyss and will erode people's trust even more... We can and should break this vicious circle and open up a prospect of positive change. This is vital, and it requires that our politicians, men and women, defend our common project. And this requires results.



2. Creating hope

2.1. Economic growth

Renewing growth and employment is what is most urgent. More than just promises, people are expecting concrete results. Economic recovery is slower than many people had thought, after the return to stability of the euro area some two years ago.

The weak growth is partly due to a decrease in our growth potential, which today is estimated at just 0.5%. This is the result of the high level of unemployment and a level of investment that is too low. We should not expect miracles: growth is the sum of the increase in the number of hours worked and of productivity. However, the lack of employment and investment places both of these under pressure. In other

terms, a "cyclical" upturn soon has to contend with our structural limits.

In addition to this, external factors have played a negative role. Geopolitical insecurity is eroding consumer and investor confidence at home, and the performance of the BRICs - lower than expected for China, low in general for Brazil and Russia - have weighed down on our exports and on the growth of euro area countries that depend on them.

The causes of the weak economic growth are not to be found on the side of monetary policy, which is accommodating. Nor are they to be found on the side of fiscal policy, whose orientation did not impact growth in 2014.

Now, it is time to focus on structural reforms, in particular improving how labour markets work. For this, national authorities are on the front line. They must fight the dichotomy between those who are well protected and those who are in precarious employment, often young people, women, immigrants... I would like to add that the average unemployment rate was already at 8% before 2008. Our unemployment is structurally high...

Last month's European Council - the last one that I presided - acknowledged the intention of the new Commission to stimulate additional investments, for a volume of €300 billion over the coming three years. The responsibility of the Member States, here too, is great. Stimulating investment, in economic terms, is taking action on both the demand and supply side at the same time!

When you look at what is needed for a small firm that wants to develop, or for a student creating a company, in terms of an innovative environment conducive to business, of facilitating hiring, you can see that in several of these areas, the EU is falling behind in relation to the United States.

Please allow me, in the presence of Pascal Lamy, Jacques Delors' former head of staff, to highlight the importance of the single market as a source of growth and employment. Just like a garden that needs to be tended, this market requires day-to-day work. At the time of its creation, it concerned industrial goods; today, it concerns the digital economy, the services sector, energy and the defence industry. Throughout my term of office, based on the Commission's proposals,

we constantly brought pressure to bear, to drive things forward; I devoted many European Council meetings to this.

Unfortunately, I am not convinced that all the European leaders are already open to drawing the right conclusions from the fragmentation of our markets. I am first and foremost referring to energy and telecommunications. In America, in China, there are only three or four telecommunications operators, whereas in Europe we have almost eighty operators for “only” 500 million consumers. This undermines research programmes and future investment; this condemns many of our companies to failure abroad. Even though we have made progress on this issue (I am referring to the European Summit of October 2013), I felt that there was still some major resistance. This is a pity, for the era of national “champions” is really over. This is a topic that my successor, Donald Tusk, will need to take up, just like that of the energy market and the “energy union” – a subject that is close to his heart also, and where Europe will have to better mobilise its forces and its resources to remain in control of its fate.

3. Maintaining trust

3.1. Institutions and the European Council

Until now, I have spoken of the two main political responsibilities: speaking the truth, regarding our situation and the efforts required, in the face of populisms; and creating hope, through words and through actions, which today above all means: mobilising all our levers for economic growth – without taboo, without fear, without obsession, except for that of achieving results.

This is essential, as our socio-economic model is based on economic growth. Without a rebound in economic growth, the Rhine model, the European idea and political stability are under enormous pressure and I am choosing my words very carefully here! In the long term, we will only succeed through “more Europe”; certainly “a closer Union” in the euro area, with intense economic coordination, and a more developed Economic and Monetary Union.

This brings me to the institutions, and to my third main section, after speaking the truth and hope: instilling and ensuring trust. Trust between countries, between institutions, between political leaders.

Since the beginning of my term of office, I have considered that is a special responsibility for the President of the European Council to act as a “guardian of trust” between all these actors.

Let me explain myself. The legal and political analysts among you know that the Treaty of the European Union defines the role and the missions of the European Council and of its President in just a few lines. The institution does not have any legislative power and it is not associated with real management decisions. It is essentially a political forum, whose role is to define the general direction to be followed, or as stated in the treaty “defines the general political directions and priorities”. It therefore should not be involved in the day-to-day management – the other EU institutions do this much better within the tried-and-tested framework of the “Community method” – but rather it should take action when specific cases arise: changing the treaty, adopting the budget, and also managing crises...

On reading the treaty, including implicitly, you will also see that the President of the European Council has a relatively short term of office (two and a half years, renewable just once) and does not have fiscal responsibility, or his own administration, or the right to appoint officials, the number of which, in addition, is rather limited.

It can be said that this is a paradox: it is generally considered that the European Council is the highest political authority in the EU, but the description of the position and the formal competences of its President are quite vague, or even skeletal. Therefore a lot depends on what is done with it! In other terms, everything that was not anticipated in a formal manner had to be created in an informal manner.

This begins precisely by inspiring trust. Inspiring trust between men and women gathered around a table, between the institutions in Brussels, between our Member States: this is the basis for all collective decision-making. Especially when the decisions are difficult and when they must be made by consensus, as is normally the case at the European Council.

How can we build trust? By meeting people, by listening to them, by taking their opinion into consideration. For example, for five years, weekly meetings were held with the President of the Commission, in order to prepare things together. Also, monthly meetings were held with the “four presidents” of the euro area

(those of the ECB, the Commission, the Eurogroup and the European Council). During my term of office I also made a point of meeting all the members of the European Council in their respective capital cities, in principle once a year. By speaking with the presidents and the prime ministers in their working environment – from Stockholm to Nicosia and from Dublin to Sofia – you have a much better idea of their real concerns.

All these efforts to build trust paid off when needed, at times of crisis. And unfortunately, we have had several times of crisis. Of course the euro crisis, mainly, of which I have already spoken, but also foreign policy crises and above all the Ukrainian crisis (which I will now speak about).

3.2. Neighbourhood and Ukraine

Since “the Crimea” the Ukrainian crisis is the most serious geopolitical crisis that we have experienced in Europe since the end of the Cold War. Worse still, we are moving towards war within the continent, war that risks being the most deadly since the Balkan Wars. One that will affect borders, and that will affect peace.

This is not the time to retrace all of its history – which began exactly one year ago, late November 2013, when President Yanukovich (from Russian-speaking Eastern Ukraine) abandoned the Association Agreement with the EU and when Independence Square filled up with pro-European demonstrators. And this story is not over yet.

Nor will I talk here – as I have done elsewhere – of how we stood together as European countries in relation to Ukraine, that we supported both politically and economically all along, and to Russia. I will just say that given the diverging energy and economic interests, the geographic situation and historic experiences, it was not certain that the leaders of our 28 countries would unanimously agree on sanctions. And yet we succeeded. This shows joint determination and common understanding of strategic interests going beyond petty shopkeeping... This also shows the existence of a culture of compromise within the EU: our leaders know that they cannot act alone.

What is essential today is this: since the Minsk ceasefire agreement of 5 September, there have been some 1,000 deaths. Personally, I don't call that a ceasefire. New ceasefires will experience the same fate if we remain simply in management of the field. We need a

global solution. We need to find a way for Ukraine to be a decentralised (or federalised) and inclusive country. We will have to determine Ukraine's place in Europe.

The country should be able to move closer to the European Union, as wished by the majority of its people, and be able to establish decent relations with Russia, its neighbour with whom it shares a history, a culture and a language. Respect for borders (and therefore sovereignty, independence and the territorial integrity of the country) and respect for minorities.

All of these issues must be dealt with in substance, and the key actors must be brought around a table to sign a major agreement such as that of the Oslo 1993 Agreement. Such dialogue requires, once again, political trust: a regain of trust, as today it is sorely lacking.

Obviously, in such a global approach, Europe must play a role – because relations between Russia and the European Union are part of the crux of the problems to be dealt with. My successor is well aware of this.

After the institutions, and relations with our neighbours, to conclude I would like to say a few words on relations between our Member States – still in relation to trust.

3.3. United Kingdom

In the press conference where I presented Donald Tusk as the President-elect of the European Council, on 30 August last, I mentioned three major European challenges that he would have to face: growth, Ukraine, but also the “British question”.

This is first of all a British debate; it is up to the British people to decide. I believe that the European partners are ready to seriously examine certain requests that are important for London, but not to negotiate the basic principles of our Union.

Personally, I have never had to complain about the British. Their government was constructive during the major negotiations on the European budget, on climate issues, and on our strategic agenda for 2014-2019..., and it has often led others forward, concerning the single market or certain foreign policy issues (Iran, Syria, etc.).

Of course, the United Kingdom is not part of the greatest European project: the euro, nor is it in the Schengen

Area. But London has never prevented us from moving forward. Granted, there was a deplorable veto attempt in December 2011, but for banking union – the most important integration breakthrough since the birth of the euro – Great Britain was highly constructive (and rightly so, as Community legislation was necessary).

There is a more basic historical reason. It is important that the British – who have been involved in all the major intra-European wars since the 16th century – continue to be part of our great project of peace that is the European Union.

Furthermore, their presence is important for the purpose of political balance within the EU, including in relations with the major countries. Which brings me, in conclusion, to say a few words about France.

3.4. France

Without the United Kingdom, Europe would be wounded or even amputated – so we must do what we can to avoid this – but it would survive. Without France, Europe – that is the European idea – would be dead. The project, which was designed in this country centuries ago, and was born in the *Salon de l'Horloge* (Clock Room) of the Quai d'Orsay (Foreign Office) in Paris, could never survive.

When I say “France”, I speak of the country in general, with a little hindsight, and not in terms of specific episodes in the political life of the years 2010-2014, which I followed closely. Since my years in high school (so roughly, for half a century!), I have been reading your press, watching your television... For many men and women of my generation, French culture has been the door to European culture. It therefore strikes me,

here more than anywhere else, to see Europe labelled as external, to see “Brussels” perceived as another planet.

For 70 years, France has worked to give meaning to European politics, to give a direction to Europe. France is in Europe and Europe has always been at home in France.

France cannot withdraw into itself, as both far left and far right parties would hope. Even the *Tour de France* no longer remains inside French borders! We cannot be immobilised by fear of openness, of globalisation, or even of Germany. On the contrary, France can and must give major impetus to the EU – and elsewhere, preferably with Germany, your historic partner.

That is what I came to say this evening. France needs Europe, because France is only great in Europe. But Europe needs France more than ever, an economically strong France, free of all types of attachment to the past, and self-confident.

Europe needs France because, in the world as it is and as it will be, it is up to your nation, with your neighbours and partners, to propose new projects, to determine a direction, to oversee, once again, the joint work for the future of our continent.

And you can succeed, again this time, if you do not consider it as a chore, but rather as a major task, a historic project, a fine mission, worthy of this wonderful and great country. Thank you for your attention.

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