

BRUSSELS FORUM 2009

Introduction to Opening Address

Craig Kennedy

President, German Marshall Fund

A number of other guests have arrived. We really appreciate it. One of our most important partners in pulling off Brussels Forum is the Federal Authorities of Belgium, the different parts of the Government.

One of the things we always try to do at every Brussels Forum is do something particularly Belgian, and this year we have on display some wonderful pieces of sculpture by Oliver Strebelle, probably the most renowned sculpture here in Belgium. Take a look at them if you get a chance. There's a wonderful book. He also did a very monumental piece at the last Olympics in Beijing that has become quite well known, but we're just very appreciative of that kind of support.

It's now my pleasure to introduce his Excellency, Herman Van Rompuy, the Prime Minister of Belgium. He became Prime Minister late in the last year as part of a solution to an ongoing series of issues confronting politics, political life here in Belgium. What is very interesting as you go around this country is I guess in the 15 or 20 years that I've been coming here I've rarely heard a politician almost always described as this is the right guy at the right time.

He's had a very long career in Belgian politics. He started at the age of 16. It sounds like child abuse to me, but he got started very early. He got very involved. He has held a variety of important positions. He was a former Vice Prime Minister, a former Minister of the Budget, which is certainly an important background for the challenges he faces today. He is Minister of State and Speaker of the House of Representatives until he took over his Prime Ministerial duties.

Prime Minister Van Rompuy, it's my pleasure to welcome you to Brussels Forum this year and thank you so much for everything Belgium does for us. Please.

H.E. Herman Van Rompuy

Prime Minister of Belgium

Mr. Chairman, ladies and gentlemen, I thank everyone who has given me the opportunity to open the first session of the Brussels Forum. In ancient Rome the word forum meant any public place for meeting or discussion. It was probably difficult to imagine in those days that more than 2,000 years later the same word would be used for describing a closed meeting in a private hotel to discuss a subject as complex as the subject of transatlantic relations in a city that cannot compete with the architecture of monumental Rome. But I do appreciate that the German Marshall Fund remains committed to Brussels as a venue for organising the Forum. I encourage them to confirm their choice and to further develop their conference into a real partnership event. You can count on the continued support of the Belgian Federal Government.

Ladies and gentlemen, the subject of transatlantic relations has always belonged to the art of logical disputation, or as the German philosophers Fichte and Hegel called it to the world of dialectics. The relationship implies forces that sometimes attract and sometimes separate. It involves two powers of comparable economic size, exchanging between themselves a very significant part of total world trade, developing important cross-investments and substantial technological links. This can only lead to a strong cooperation in the name of mutual interests.

Curiously for a long time between the United States and the European Union there was no cooperation agreement in contrast to the numerous cooperation agreements that both partners had signed with many other partners in the world. But even after agreements were made to frame the transatlantic cooperation the relationship remained ambivalent to the extent that both partners compete on the same world trade market, on the [technology] front and to the extent that they pursue different social policies. The Lisbon process [added] to strive for excellence between the two economies.

In times of economic and financial crisis it would be inappropriate to try to answer the question, which partner came out better and which partner will come out better? But one has to admit that the American economy has for a long time been superior in terms of GDP per capita, in terms of labour volumes, in terms of capital risk United States figures have been superior to that of the European Union. The constant innovation process supported by proactive policy in the field of Defence has given the United States a remarkable technological advance.

I've always had the impression that within the liberal market economy of the United States there was a [motor], a motor of convictions and maybe also of planning. But there are also vulnerabilities in the American system. In comparison to Europe access

to education and to healthcare is less satisfactory. The American model of non-ecological energy consumption is different from the European one. And finally an abnormal internal and external debt situation represents another factor of high vulnerability.

The fact that we definitely share a number of values but differ significantly on our socioeconomic models has puzzled more than one observer. But I remain strongly convinced that Continental Europe will keep its own typical model as its guide for economic and social policy. It is basically a long term basically, stability oriented, respecting environment, trying to respect the environment and correcting major social failures of the free market. We call it our Rhineland model. It is based on the German-Austrian thinking dating back to the 19th century. It is a different approach from Smith & Ricardo whose economic thinking is at the basis of the so-called Washington consensus. The Rhine model includes the Bismarck model of social security with compulsory insurance, [a tripartite] management and [non-funded].

Ladies and gentlemen, this is only but one analysis. It is not even a comprehensive one. Neither a subtle or thought provoking analysis compared to some of the more populist characterisations of the transatlantic relationship. We had our differences and will no doubt have them again. Transatlantic views have [deferred] from the wisdom of using force, on questions of legality, on trade and security issues, on the regulation of financial markets. The point is that at a certain moment in time we must have both realised that cooperation slowed down between the United States on the one hand and a significant number of countries, regional and international organisations on the other hand, or that cooperation may have been stopped.

Relations between Europe and the United States were not going in the right direction. The contrast between unilateral and multilateral approaches played a central role. But the good news was that even on the most contentious issues public opinion on both sides of the Atlantic has never been monolithic. There were always shades of opinion. And whatever difficulties there may have existed between allies in the past, it was always, always possible for European leaders to pick up the phone and talk to Washington.

Today many want to look at this relationship with fresh eyes. We all know why. The dramatic events that took place over the previous eight years, from the terrorist attacks of 9/11 right up to the outbreak of the global financial crisis, set the scene for the transition to the Obama administration. Ladies and gentlemen, there is great expectation regarding America's role, particularly in foreign policy, in the coming four or eight years. During his inaugural address on January 20, 2009 President Obama declared that all other peoples and governments who are watching today know that we are ready to lead once more.

In the 60 days between this important stage and today's conference the President has set his country on a path that is meeting widespread support around the world. He has

ordered as soon as possible the closure of Guantanamo Bay detention facilities. He has appointed special envoys for the Middle East peace and for developing an integrated strategy for both Pakistan and Afghanistan. He has offered to make progress with the Muslim world, as well as to extend a hand to authoritarian regimes if they are willing, I quote, "unclench their fists."

I would also like to highlight the recent series of visits to Brussels by Secretary of State, Hillary Clinton and by Vice President, Joe Biden. Today we welcome here one of the most important congressional delegations since [one]. These high level visits tell us something about the new desire to listen, to cooperate, to develop real partnerships, in other words to look at the transatlantic relations with fresh eyes.

How to make the best use of this opportunity? Complex dialectics do not produce automatically new results when the context changes. How to arrive at this new synthesis resulting from a fruitful coalition of ideas from which a higher truth may derive. We could, for example, recommit ourselves on both sides of the Atlantic to a number of simple ideas. First, once we agree on common solutions and objectives we should all contribute to our achievement. I know that there has been much American criticism of Europe for not doing enough on defence, or not doing enough on Afghanistan. Some of that criticism is justified, but security today is also a multi-dimensional concept bringing peace, stability and order in an effective way is no easy job as we have found out in Afghanistan and as the United States was reminded in Iraq. One has to accept that Europe will never be able to follow a full-fledged security approach in order to realise overall strategic objectives.

In the meantime most governments in Europe have repaired their security relationship with the United States. President Sarkozy has even decided to bring France into NATO's integrated military command, and I do welcome this important step. On Afghanistan I accept that new efforts are needed. I will try before the NATO summit of April to decide on an additional contribution of civilian military nature on top of the efforts my country is already undertaking.

This brings me to a second idea that we act together to sustain and strengthen the world based on rules. No other choice offers a better way to underpin contributions to common objectives. Some people say that America's and Europe's approach differ on this; we can discuss that. But if allies want to seize the new opportunity of the day then the real point becomes to rediscover together the force of what is called legitimacy and credibility. The more we get back to that [root], the more our decisions will become accepted. The greater the acceptance, the better we can explain to our publics the need for common effort and additional contributions.

Third, we should identify the real challenges on which we have to cooperate now and achieve common success soon. I see three priority issues: trade, climate and financial architecture. We face real tests on these three fronts and we face them at short notice. At the G20 in April in London, at Copenhagen in December and hopefully very soon

on the WTO to conclude the Doha round. Both Europe and US administration have a key role to play in injecting positive dynamics into those negotiations. It is now that we have to demonstrate that we have learned something from whatever mistakes we may have made in the last 20 or ten years. We are talking about real tests, not about simulation or academic exercise.

Fourth, we have to remain realistic. Why? For different reasons. First, the world has changed. President Obama and his administration have recognised the fact that the world is now one of real interdependence and that the most pressing international issues for climate change to non-nuclear proliferation cannot be solved by nations on their own. But I think that on the three priority issues I have just mentioned Europe and United States can make together a huge difference.

Second, there are also the realities of domestic politics. Collective responses to global challenges often require compromise on national interest and sovereign government decision making. Each partner has his own constraints, and I include also the European Union in this remark.

Third, we still have to exit from the present financial and economic crisis. Ladies and gentlemen, I mentioned in my opening address some names of European philosophers and economists. That is pure coincidence, except for my personal wish to bring a European voice to the Forum. But I could, as well, have mentioned many other voices like the voice of John Kennedy, when he proposed a partnership with Europe in the form of a declaration of interdependence. I'm sure that during the discussion within the 20 or more panels of this weekend's forum, interdependence will become one of the key words. I approve in advance and wish all of you good luck. Thank you.

[End]