

Europe@Risk

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Europe's Dilemma: Values vs Interests and Protectionism vs Leadership

Dr Yilmaz Argüden¹¹

For decades European development has been guided by a number of key values: human rights, democracy, freedom of thought and belief (and of the press), free trade, the rule of law, laicism (in most countries) and multiculturalism.

Generations have been raised in an environment promoting these values. And these values have been central to helping Europe achieve historically unprecedented prosperity and stability. Yet Europe now faces a number of serious risks for the future: an ageing population, eroding competitiveness, limited military credibility and limited access to key natural resources. Global institutions seem inadequate to the range of global risks facing the world, from terrorism to climate change.

The true test of values is whether they can be maintained when they run counter to the short-term interests of these risks and challenges.

Already some conflict is emerging. Some key European values – such as free trade – are beginning to hurt. Globalization has the potential to make some people in Europe relatively poorer, even if it helps global growth. Will Europe continue to open its markets, and enable cross-national mergers, regardless of the nationality of new owners?

A similar question applies to transforming global institutions along universalist lines which may run counter to Europe's interests. For example, it is difficult to defend Europe's two vetoes in the UN Security Council when India has none. Will Europe be able to accept the limits on its voting power that would stem from embracing a more democratic governing principle for global institutions?

Ultimately, trying to sustain unsustainable agricultural or high social security subsidies and to limit international M&A, or even freedom of speech,¹² will not only cause potential conflicts with some key European values but will fail to protect Europe from the risks facing it.

Protectionist tendencies – economic or cultural – are likely to delay, and therefore raise the costs, of

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subsequent structural reform. Enlargement fatigue will surely cause Europe to lose momentum as a model for global governance.

Europe should adopt an offensive, not defensive, approach: continuing enlargement to export its values and systems and at the same time clearly demonstrating its commitment to these values by its actions, avoiding double standards for short-term interests.

The EU has the potential for global leadership, not by virtue of size or strength, but by being an example. However, the EU must orient itself towards improving the world in line with its own values, instead of its current self-centred, protectionist approach. Only in such a way can Europe deal with the risks it faces itself – let alone help the process of mitigating global risks.

Taking Opportunity

There is an **opportunity** for the EU for global leadership. Since 9/11 the world has been subjected to unilateralist policies; global sentiment has moved against the accumulation of power in a single country. There is a growing wish for an alternative approach to global leadership, one not based on power, but on values.

Building Power

But in order for the EU to exercise leadership, it also has to have sufficient power, defined in five dimensions: political, economic, sociological, technological and military.

As a **political** project, the EU is an innovation where countries, without recourse to force, agree to share sovereignty. However, it has become clear that both the efficiency and legitimacy of EU decision-making needs to be improved. Both administrative systems and individual perspectives need a more global dimension to deal with future global and European risks. The EU can be a global model, but only if the

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efficiency of decision-making takes precedence over protection of the existing power equilibrium.

The EU is the premier global **economic** bloc, but competitiveness must be enhanced. Can the EU's present welfare mentality be maintained? From the point of economic development, the Lisbon goals carry a lot of weight.¹³ Failing to reach them will pose a major threat to aspirations to global leadership.

Sociologically, much store is set in Europe by “unity in diversity”. But tolerance and understanding are too often only for current citizens; nationalism and rejection of “the other” are growing trends, as witnessed by immigration policies and attitudes to enlargement.

Technologically, there are a number of constraints. The EU has collectively made some significant advances – adopting the GSM standard or implementing common projects in the 7th Framework Programme. But financing for innovation and the spirit of entrepreneurialism remain weak.

Militarily, Europe lags well behind. Even in an era when world leadership depends less on military prowess, it is vital to share more significant military responsibility in conflict regions of the world. The EU itself is a successful peace project and should focus on exporting this idea.

Creating Vision

In addition to **opportunity** and **power**, leadership demands vision. One very important message should be conveyed to Europe's people: Europe should not be about protecting narrowly-defined interests, but creating a structure by which European values become a global norm.

And this requires consistency between words and deeds in all EU actions. “European” values as democracy, human rights, rule of law, multiculturalism, protection of minorities and laicism have to be applied consistently to gain the trust of

global citizens. Defence of self-interest – narrowly defined – alienation of “the other”, fears over migration, worries over innovations such as GM foods and protection of low working hours will not allow the EU to maintain its existing prosperity, let alone attain global leadership to deal with global risks.

A True Test of Values: Approach to Membership of Turkey

To the surprise of many, after forty years of courting, Turkey successfully completed many reforms and secured negotiations for accession to the European Union. However, recent developments in the negotiations are failing to create an impression of mutually trusting future partners, but one of European reluctance to accept Turkey as an equal partner. Unless this changes significantly, it will be difficult to proceed on a win-win basis. This process will turn into one side establishing ever changing goal-posts and the other feeling alienated.

Yet Europe and Turkey have a historical opportunity to throw out the prejudices of ages, discredit the “clash of civilizations” and establish a stronger EU. Turkish membership presents the potential to mitigate some of the key risks for Europe, and help the EU to be a role model for global governance.

While the European population is ageing, Turkey is entering a “golden demographic period” similar to what East Asia experienced in the 1980s. The continuation of reforms in Turkey will not only increase investments in Turkey, but make Turkey indispensable. In contrast to European worries about inflows of migrants, Turkey, with her renowned hospitality, quality of medical care and pleasant climate, may become “Europe's Florida”, in terms of attracting and caring for European retirees. While the immigration of Turkish people will be limited, immigration of jobs will make up for Europe's declining population. Automotive production has started to move to Turkey – where the most profitable Ford and Fiat plants are located.

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Only a few emerging markets in the world have the potential to be able to create a “virtuous investment cycle” of exports and domestic demand. This is true not only for products, but also for young managers. Young Turks are being employed by global firms throughout the world. The Chairman of Pfizer said recently that their most important export from Turkey was qualified managers.

Overcoming regional political risks can only be achieved if economic development spreads. And throughout the region, Turkey is likely to be an engine of growth. As one observer put it, “Turkey will be the ‘viagra’ for Europe” by becoming the key agent to help improve European and regional competitiveness.

A win-win approach on Turkey will be the key to addressing European risks, and making the EU a values-based global leader. Managing Turkey’s relationship with Europe relies on navigating the (sometimes false) dilemma in the title of this essay.

Good governance requires wisdom. Sufist philosophy, which has an important place in Anatolian tradition, gives important advice. This philosophy, based on “tolerance” and “harmony”, defines good governance as self-management. Good governance is to free ourselves from our fears, opening our eyes and hearts to new perspectives, to “regard others, as we regard ourselves.” Individuals, civil society, political statesmen, business people and managers of international organizations have critical roles in accomplishing that goal.



Lebanese Prime Minister Fouad Siniora shakes hands with Turkish Foreign Minister Abdullah Gul, following talks on the deployment of international peacekeepers in Lebanon - 16 August 2006