

Speaker 1: .... Marshall Fund, Dr. Ian Lesser.

Dr. Ian Lesser: Good morning. Welcome back. Welcome to the final day of Brussels Forum 2019. At this point, you've probably seen a world disrupted up there a few times, and I think you've probably been in more than one session where disruption was, by design, the key theme. I think reflecting on yesterday, you might have the impression that much of this disruption, if not all of it, is somehow coming from the other side of the Atlantic. Maybe that's true, but clearly, it's not the only source of disruption, and there are some things happening here in Europe as well.

Dr. Ian Lesser: To start us off this morning, we're really very, very pleased to continue with the conversation about how to decode the European elections, what they mean, how to understand what they might be saying about European society and politics. To have that conversation, we're really delighted to have with us a colleague of mine, but also a great friend of GMF, Ivan Krastev, the Chairman of the Center for Liberal Strategies, and my wonderful colleague in Brussels, Rosa Balfour, a senior fellow at GMF. Rosa, Ivan, please join us. Please join me in welcoming them.

Rosa Balfour: So tomorrow, European leaders are going to be coming to Brussels to sit together and decide who will be the next leaders of the EU institutions. They came 10 days ago and were unable to make these important decisions. Why is that? Well, there were European parliaments elections last month, and the outcome is, shall we say creating some difficulties in choosing the leaders. The election results were not as catastrophic as many had predicted. The far-right which includes anti-EU parties did not do as well as expected, but at the same time, the pro-European majority is more fluid. There's a less obvious coalition coming out of the vote. And so, we seem to be entering a period of fluid politics in Europe, which I think has many positive aspects. We're not seeing the tribalism that we're seeing in some countries such as the US or even the UK, much more fluidity. At the same time, perhaps more fragmentation.

Rosa Balfour: I think this would be my first question... I don't want to go into the name game as to who's going to be leading the EU institutions. We might know tomorrow night or Monday morning, we might not, the leaders might need to a little bit more time. But I'd like to look at these trends, what do the European parliament elections tell us about where Europe is going. It's this perhaps moment in which we could see some start of a transformation in European politics and society. Ivan, what do you think?

Ivan Krastev: Thank you very much. First, it's very early in the morning, so everything that we're going to say cannot be used against us. Secondly, on the name game, unfortunately, particularly, I cannot perform, I don't know who is going to get the jobs. But what's interesting about these elections, you're right, there was such apocalyptic expectations, so now Europe woke as somebody who had

troubles and believed that he had a heart attack until it appeared that it was a panic attack.

Ivan Krastev: From this point of view, the way people were so pessimistic before it, seeing basically the populist is right, coming with a revolution, destroying the European Union. So now, we went into the other kind of a trend, trying to see a much stronger positive message than in fact it was. For me, the most important about this election is three things: We know who have not won, and this is the populist right. We don't know who has won. This is one of the reasons it's so difficult also who is the top jobs.

Ivan Krastev: We know that EPP is the biggest group in the European parliament, but they have lost a lot. And also, basically, you see on the level of the nation states a major reconstruction. Secondly, what is important for these elections is, this was elections on which none of the major parties, even on the far-right, was asking for exit. You have a certain new consensus in Europe, very different than two years ago, that nobody believes that it's making a vote in their own countries saying that they're going to exit, either the European Union or the Europe.

Ivan Krastev: Secondly also, what happened on these elections, and maybe it was a surprise for the far-right, was that immigration was not the predominant issue. I have been part of a huge polling that European Council of Foreign Relations was doing. There is only one country of the 15 biggest country in which immigration was made the most important issue from the voters. Paradoxically, it was Hungary, which was not famous for having much of immigrants. The story was that, keeping in mind what is the media control in Hungary, I do believe that if Mr. [inaudible 00:05:32] has decided to convince his own citizens that poisonous snakes are the biggest threat to the European Union, he could have made it.

Ivan Krastev: I'm saying this because also you have a new consensus on immigration, because paradoxically, also on these elections, there was no any major party which is advocating open borders. I was listening by the way very carefully the great Oxford-style debate yesterday, and our Italian colleague basically was saying how morally we're outraged of people dying on the American-Mexican border. The truth is that there are more people dying on our borders than the American-Mexican border. So from this point of view, we should also be slightly moderate in our outrage, because nevertheless that European government and the American governments speak a very different way, there are certain type of conversions on certain types of illiberal trends which is common for the US and European Union, and we should be aware about this.

Rosa Balfour: That's one point I really wanted to raise, because even if there is great fluidity and perhaps less polarization than one might have expected, there still are some challenges within the European Union, which really go towards challenging the nature and the way in which Europeans have been doing things

together. The first is, of course, the decline of liberal democracy in certain member states. The second is the fact that we have a few member states sitting at the European Council which is a major decision-making body. These member states are out there to extract as many concessions on the national level as possible rather than work together to find solutions. So this is a disruption, an internal disruption which is existential. It's not just about process. We don't really see how Europe can try and modify these trends. Is this going to define your future? Does this mean that a closer EU, of a closer union of institutions and of peoples? Does this mean that this project is undermined?

Rosa Balfour: Of course, we have Brexit, whether it happens or not, because at this stage it's very difficult to predict what's going to happen across the channel, it still is a major disruption to the functioning of the EU, but also to the principles that have brought Europeans together. What do you think?

Ivan Krastev: Listen, for me there were two results of this survey that I have been seeing in the last year that made the strongest impression. Everybody is quoting the fact that that according to the latest Eurobarometer, the trust in the European Union is highest in any time since 1983. At the same time, the [SPHERE 00:08:21] survey showed that out of the 15 biggest EU member states, with the exception of Spain, the majority of the people fear that in 10 or 15 years the European Union is not going to be around. So you have this kind of a combination of the fact that people understand that we don't have a better option outside of the European Union, but there is a growing threat that basically we don't know what's going to happen, because in these elections, there was something common in all of the countries people were voting for change, but they have a totally different idea, which is the party of change.

Ivan Krastev: For many young people, the Greens were the change. For some people, basically it was the populist is the change. But the stat was going the way it is, either on the national level or the European level was not [inaudible 00:09:06]. And I do believe this is a new situation. The second thing that I found important was the survey which a year ago was done by the [inaudible 00:09:13], which discovered that 67% of Europeans in all member states believe that life was better before. Before means different things to different people. This is interesting, even people in their early 20s are nostalgic about the past. I'm saying this because for me this is a major transformation. If you go back to the European history, you're going to see the European project was basically build by societies that feared the past and were hopeful about the future.

Ivan Krastev: Now, you have a society that strangely enough are fearful about the future and very much kind of falling love with the past. This should be changed. I'm saying this because I do believe is a result of ethos. So you have a major generational tensions which came up with these elections. This was very much seen particularly in the countries like Germany, in which the people younger than 35, and the people older than 65 were voting in very different ways. And because I mentioned Germany also at one point of these elections, which I found quite

important, to be honest, I do believe that Germany as a country grows weaker out of these elections than before in this case. Nothing to do only with the fact that the Chancellor Merkel is at the end of her term, but also you'll see for the first time you have European elections that created almost domestic political crisis for the German government.

Ivan Krastev: Secondly, before in the European parliament, when the grand coalition was running, both the socialist and the conservatives were very much dominated by the German parties. This is not the case anymore. If you see at the parliamentary groups today, you're going to be shocked how much there are also geographical representation. For example, EPP, German is the only big country represented in the EPP. Basically, there is no French center-right match, there is no the Italian center-right match. As a result, the EPP is the German conservatives plus mostly East Europeans.

Ivan Krastev: Socialists is the south with some Greens, basically western and north countries. Basically, there is no Eastern European in Green group at all. Populist are more evenly represented. I'm saying this because I do believe this is going to be critically important particularly if you keep in mind that in the next six months or one or two years, we can have external shocks coming from outside that could be critically important for the EU, and particularly for Germany. Imagine just two scenarios; imagine that President Trump managed to make a deal with the Chinese on trade. My guess is going to be that next there are going to be a major pressure on trade issues on Europe, and particularly on Germany.

Ivan Krastev: Secondly, imagine that the Chinese and the Americans are not going to make a deal and they're going to be a major escalation in the confrontation, then the pressure on the European Union and particularly on Germany to take side on the Chinese, American conflict is going to be higher. So from this point of view, I do believe that the worst that can happen to us is to believe that European elections can solve the problems that we have. It bought time, and to be honest, very important time. It also give a confidence that it's not doomed. The populist-right basically is not as strong as many people believed, but on the other side, none of the major choices that we're going to face, we're very much prepared for them. From this point of view, there is still not much reasons to be celebrating there.

Rosa Balfour: I agree. You've mentioned the external challenges, and we spent the past two days discussing precisely those, what strikes me is that the external challenges point to the urgency for Europe to get its act together and to overcome these deep structural difficulties, but also difficulties tied to the inability to respond to events, and that accumulates and undermines Europe's ability even further. At the same time, the narrative of managing decline, we can be stronger together, it's a very negative narrative. Shouldn't Europeans focus on finding a more positive narrative that indeed can usher in a new generation of leaders with a positive project of what Europe can do and contribute to the world.

Ivan Krastev: Listen, I know that the narrative is a great word, but the problem is the message in the time of crisis does not make a sense outside of the messenger. We can construct beautiful narratives, but in time of crisis, particularly in the low trust environment, it's easier for the people to trust the political leader than to trust the political message. What happened with the mobilization in western Europe around environmental issue, is in my view very positive and important not simply because of the environmental part, but because it's about the future. From this point of view, you're going to see on the streets of Europe two type of people. One is the populists anti-immigration parties which are criticizing the European union for what it is doing.

Ivan Krastev: On the other side, you have the younger generation and the Greens criticizing them for what they're not doing. These are different type of criticism. For me, trying to turn the European politics towards the future, and to be honest, the future which is going to be highly problematic... I see that I don't have time, but I remember, at the end of the cold war, America used to have a vice president called Dan Quayle. I don't believe that he was somebody invited to a GMF major conference, but Dan Quayle coined a phrase that in my view equals way today. He said, "The future will be better tomorrow."

Ivan Krastev: I do believe in a certain way both tomorrow and future should figure slightly stronger in our discourse, because European Union and European public are too much distracted to comment on Donald Trump. To be honest, we are not in the business of commenting all the time what the Americans are doing, or Chinese are doing, or Russians are doing. We should decide what we want to do.

Rosa Balfour: Ultimately, we started off by saying that the EU is struggling to find its leaders, but ultimately, we are saying that leadership is important. We do need to have people, and not just narratives, who can push forward the EU towards the future.

Ivan Krastev: King clearly has it best. He said, "The worst is not, if we could say this is the worst."

Rosa Balfour: I think with these words, we can end our session. Thank you very much.

Speaker 1: Ladies and gentlemen, please welcome the editor-at-large for The Hill, Mr. Steven Clemons.

Steven Clemons: Good morning everybody. Good morning everyone. Let me invite up my friend Didier Reynders, of course, Minister of Foreign Affairs and Minister of Defense.