



Citizen-Centered Approaches
to State and Market



Global Compact or Divided World?

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The centre-right has made a unique contribution in the last sixty years in rethinking the order which in 1945 looked extremely threatened: it has brought about a consensus on democracy and on capitalism.

A number of critical issues have been addressed in Europe. First, the question of moving from the nation-state to shared sovereignty has been tackled. Second, the problem of class has given way to the notion of citizen: a large middle class has been produced. Third, accession has become a model for extending the notion of Europe and for bringing about one of the most organised processes of social and political engineering. The fourth contribution has been to re-think critically the notion of the state vis-à-vis the economy. The reversal of the notion of the state from doer, to facilitator, to enabler has been a critical contribution.

There have, however, been a number of problems that have not been faced adequately. In the 1990s, the first of these was the problem of Russia and this remains an unfinished agenda. Russia was ready to become democratic and capitalist and I think the rest of the world failed it. I had the privilege of working in Russia for five years during that time.

The second is globalisation. The response has been to manage globalisation, not to lead it. The third has been the problem of the Middle East, particularly in respect of energy alternatives: the bargain with authoritarianism that has consequences. Fourth has been the problem of the failed state. Yugoslavia is the first example of what is now becoming a broader problem. There are between forty and sixty states in the world that are failed, or are failing.

TOWARDS A GLOBAL MIDDLE CLASS?

The challenge of 2020 is this: will we have six billion people in a global compact? Or will we still be talking about one billion people involved in the OECD, and another two billion - China and India - moving on, whilst half of humanity remains excluded from this process? In short, can we transform the issue into one of producing a global middle class? The creation and expansion of the middle class has produced stability worldwide, and it is important now to shift scale and think about this as a global project.

Can a global project of producing a middle class be taken as an initiative? Here, there are two scenarios in Europe. One is Fortress Europe, closed in on itself and defining itself by notions of cultural identity vis-à-vis history. The other option is to embrace openness: open societies and open economies created on a global scale.

Europe is in the middle of a sea of population flows. Geography alone does not give Europe the option just to be focussed on the Atlantic. The Atlantic is absolutely essential to it, but without the Mediterranean, without the Eurasian steppe, without the Middle East, Europe cannot know its bounds. Take just one

issue: drugs. Europe has been unable to contain the flows of drugs, despite spending billions of euros trying to. This takes organisation and the threats do come from networks of violence - but they also come from exclusion from the process of globalisation, exclusion from the process of democratisation, exclusion from the process of participation.

One of the greatest problems in developing countries is that the majority of young people, unlike in Europe, cannot imagine a path toward the future. The degree of uncertainty of a person aged between sixteen and twenty-five in a developing country must be one of the greatest uncertainties in the world. Unless that is changed to a 'mapping process' of the future, to a degree of predictability, with investment in human capital becoming the critical underlying issue, then developing nations are always going to produce tension.

FOUR ROLES FOR EUROPE

Today, there is only a fragile consensus around both democracy and capitalism. Whilst this consensus has come about after around two hundred years of debate, it still needs to be consolidated. The best route to consolidation is along the path of inclusion. Here Europe can be positioned as a global catalyst and mediator, with four roles to play. The first is to inject new vitality into NATO, the World Bank, the UN and regional organisations. NATO took its first mission outside Europe in my country, Afghanistan. This is an incredibly important departure. It must become part of a global effort. But the World Bank, the UN and other multilateral organisations await revitalisation.

The second issue is to deal with the expansion of Europe in the Mediterranean. It is important to understand that openness cannot be foreclosed. Culture is historical and created; it is both inherited and made. Max Weber was classically wrong about Confucianism for example. He thought that Confucianism was incapable of generating capitalism. And all the commentators on the culture of Southern Europe have been proven radically wrong too. They thought that Southern Europe was inherently authoritarian and incapable of democratic process. Reorganisation of the state is what changed the notion of culture fundamentally.

The third role is to provide models that produce accession-like effects for fragile states. The accession model again has been an incredible contribution of Europe, but it has not been sufficiently advertised. Accession-like effects can be produced in two ways. A compact created between governments through global entities, and also between government and the citizens, along the lines that Ant nio Borges has outlined.

The fourth role is where this European Ideas Network is important. It is to make Europe the hub of global thinking in relationships. Today, the network of violence is a network. It is a vicious network. That network can only be defeated by a virtuous network. This will require all thinking people to come together to formulate an agenda of the future that the world can believe in.

Forty-five years ago, Europe had leadership that did not take authoritarianism for granted. Today it requires equal leadership and vision to be able to lead us towards a stable prosperous world, where we all engage, based on our diversity, but also on a common vision and commitment to democracy, the rule of law and economic initiative and freedom.

Capitalism is inherently creative, but that creativeness is inherently destructive. It is that creative destruction that forces us to be entrepreneurial and to think through all our received wisdom.