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WAITING FOR THE WHITE KNIGHT – Strategic Partnership –

It is not necessary to change. Survival is not mandatory.

W. Edwards Deming,
father of quality evolution, 1900–1993.

Abstract: In spite of the massive scientific advisory potential that exists worldwide, the World community found itself unprepared when faced with the current financial crisis.

“The world economy is facing a severe challenge, almost certainly the worst one since the depression of the 1930’s. This could be the end of the age of over-emphasising shareholder value, even the end of the consumption society” (Reference: see Footnote 4, p. 4).

The current economic crisis has largely hijacked the European Union’s agenda and put a stone in the machine of the European Union’s integration process.

The authors aim to raise a number of timely and relevant issues:

Will we continue with the *great illusion* that the *market* will sooner-or-later find the right solution? *Or:*

Are we ready to admit that something else must be done?

Are we ready to admit that the political leadership alone cannot save us?

Could the National Science Academies have a more active role in helping to fight crises and thus protecting the achievements of our Democracies?

The authors aim to provide critical comments and suggestions for early detection of crisis’ emergence.

INTRODUCTION

Crises most often result from complex underlying processes. They rarely arrive from one moment to another without presage. This is even more so, when the crisis is as global as the current one.

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Although unavoidable socio- and geo-political transformations may make the first signals of an upcoming of crisis tricky to recognize in time – it is not impossible. In order to improve the ability to respond in a timely manner to both expected- and unexpected developments and introduce appropriate counter-measures, one must become aware of their emergence as early as possible.

The authors suggest to vigilantly monitor the behaviour of- and signs by those key actors who manipulate, often behind the scenes, and in part initiate the crises or contribute to their emergence, duration and extent.

In this context National Science Academies should take a more active role in support of political leaders and the latter should more readily listen than is currently the case to the Academies' scientific advice.

The paper reflects the situation at the end of May 2012.

CONFUSION AND SCEPTICISM

Given the current and imminent financial, political and ecological challenges and pressures, Europe is inadvertently finding itself at an existential crossroads.

In fact, the social and economic situation is graver than many are willing to acknowledge publicly. Europe is probably in the midst of its greatest existential trial to date. Private and public indebtedness is high and European unemployment is running at record levels.

Even the most casual observer will notice that against the aforementioned, public sentiment in 'family Europe' is deviating considerably from expectation. The population is disillusioned and the mood is such that the achievements of the European project are no longer acknowledged. War seems a distant memory and prosperity a hollow promise. Many are suffering as a direct result of global economic and financial turmoil. The situation is further exacerbated by national elections so that political agendas are dominated by inward looking, national issues. Hence extremist political movements are raising their voices and more people are listening – national politics are as a rule becoming more populist, one such example is Greece.

Current EU leaders are failing to inject visionary, long-term objectives that could catch attention and raise hope for a better and joint future – the founding fathers of the EU managed to do this. Maybe unsurprisingly, the 'European project' is losing its appeal and interest from the population at large.

According to Jacques Delors¹, former European Commission President and widely considered as one of the modern 'fathers of Europe', "*The EU leaders of the Eurozone were morally responsible for the crisis, and that they ignored his proposals, made in 1997 in his capacity of president of the Notre Europe think-tank, to coordinate economic policies. Instead, leaders only added the word 'growth' to the name of 'Stability and Growth Pact'. What nonsense, what folly, what irresponsibility*".

¹ Euractiv, 28 March 2012, <http://www.euractiv.com/future-eu/delors-points-finger-europes-killers-news-511850>.

The vision, objective and implications of the ‘Lisbon Strategy’ and now the ‘Europe 20–20–20’ fail to appeal intellectually and emotional to the European population – and are of even less interest to the young generation. They are not easily understandable nor emotionally accessible.

Against this background, a dualism has developed. “*This dualism between the EU and its Member States can be seen in various fields. Most strikingly, it is assuming the form of a contrast between law and politics. By and large, Member States will obey the legal provisions of the EU, but their political objectives can point in other directions. And where law and politics are at variance, at variance precisely because the national interest overrides the European, solidarity suffers. The sense that Europe once had, that Member States shared certain ideals that no Member State would go entirely against the interests of others, is much weaker than it once was.*”²

In the context of the current global financial turmoil and budgetary crises in various Euro-zone economies, the political divergence appears to be approaching open conflict. In such a climate of conflicting messages from the media, national politicians and the EU, European citizens are justifiably confused and sceptical.

The hesitation of EU leaders to stand united and efficiently tackle the current financial crises is weakening the EU and its credibility. What is worse, it is feeding integration fatigue. If we look at the integration process from outside active politics, we see it has rather stopped, with some risk of going backwards. Integration is not going forward. There is no political will to make it go forward.³

From the perspective of European integration, it would appear that the situation is continuing to worsen. In the mind of most people the overwhelming uncertainties about ‘today and tomorrow, i. e. my job and bread’ and general weariness and scepticism about the European project, overshadow the demonstrable benefits European citizens are already gaining from being part of the ‘EU family’.

The apparent absent of political will (or ability?) by the EU leaders to act timely in a united and resolute manner is a clear sign for an *urgent need* for an efficient, independent and visionary advisory structure with moral- and intellectual authority.

In turn, the political leaders must learn to listen to advice and have a clear aim regarding *what World do we wish to leave behind to the coming generations?*

ABILITY TO ADVISE

In Europe, as well as worldwide, there is a wide range of bodies with potential to formulate scientific advice.

These include:

1. Bodies *formally* set-up on the basis of high-level political agreements at the:
 - UN level and other Inter-Governmental levels; a multitude of these bodies exists;

² György Schöpflin, *XLV COSAC meeting*, 31 May 2011, Budapest.

³ Josef Borrell (former EU Parliament President), *Festival of Europe*, 13 May 2011, Florence.

- EU level: i. e. European Economic and Social Committee, Committee of the Regions, EURAB, STOA, etc. In addition, the EU is annually spending many millions of Euros for supporting studies;
 - National level or below: i. e. National Science Academies, Governmental- and Parliamentary Advisory Bodies, etc. As a rule, at least one National Science Academy exists in each (developed) country.
2. Bodies *formally* set-up by political parties, industry, social actors, professional organisations, interest groups, education establishments, etc. Their focuses are wide ranging and often combine formulating advice and lobbying. A large number of these bodies exists.
3. Bodies *voluntarily* established by:
- National Science Academies such as ALLEA, EASAC, etc.;
 - Civil society members including: The Club of Rome, Euroscience, World- and European Academies (of which more than 50 can be found on Internet), even larger number of think tanks and scientific networks, etc. Also here, their focuses are wide ranging and often combine formulating advice and lobbying.
- A more detailed discussion of advisory bodies falls outside the scope of this paper (indeed, a comprehensive critical assessment of these bodies and their usefulness is current not yet available).

Nevertheless, formulating constructive and timely advice requires two basic preconditions:

- i) an efficient and reliable advisory structure to be in place (*who is doing what?*); and
- ii) availability of relevant indicators and methodology (*what to look for and how?*).

In the current situation, in spite of the massive scientific advisory potential that exists Worldwide, *the financial crisis found the World community unprepared.*

CHALLENGES

International Finance

*“In the late summer of 2008, the world economy was struck with a financial crisis that quickly brought on extensive and serious consequences. Many claimed that the world economy faced its worst challenge since the depression of the 1930 s. Others saw this economic crisis as the end of an epoch distinguished mainly by over emphasis on creating shareholder value and financial sleight of hand. The most pessimistic envisioned the beginning of end of the consumption society.”*⁴

In the recent electoral campaign for the President of France on (6 May 2012), François Hollande was highly outspoken about the international finance and *“declared war on global finance. The financial industry had grown into a nameless, faceless empire that has seized control of the economy and society. To tackle the enemy and restore the French dream, Mr Hollande wants to separate banks’ “speculative”*

⁴ László Szombatfalvy, *The Greatest Challenge of Our Time*, EKERLIS, 2010.

activities from their lending arms. He would outlaw “toxic” financial products, keep banks out of tax havens and ban stock options for all companies except start-ups.”⁵

Against the background of the hostile behaviour of international finance and the irresponsible behaviour of some national governments, and the associated sovereign debt crisis in the Euro-zone, an international scholar⁶ advised: “I would remind policy-makers to switch from the economic ‘Sachzwang’⁷ argumentation to a more cultural-centered policy-making”.⁸

In the process of fighting the financial crisis, technocrats replaced democratically elected governments in Italy and Greece. In Greece, the subsequent election (also on 6 May 2012) was inconclusive; a second election is expected to result an equally divided legislature and anti-Euro pressure. In Italy (another country that held election the same day), local elections demonstrated a strong anti-establishment sentiment.

The (somewhat unwilling) solidarity of Euro-zone countries has not managed to take the financial crisis off the table. “A top EU economist has warned that consumption is unsustainable in parts of the Euro-zone and that many countries would not recover economically for many years – an assessment backed other experts who call for reforms at European and national levels.”⁹

The ‘ghost’ of crisis – perceived or real – remains due to several factors, first of all the lack of a clear and implementable growth strategy for the EU. Other contributing factors include the somewhat hesitant signals from the International Monetary Fund (IMF) to intervene; and uncertainties on the oil market. Thus, at the time of writing this article, it would be unwise to make any qualified prediction of EURO’s future.

Of course, speculators on the international market (*the invisible hand*) could influence the situation in either direction.

The financial crisis brought another issue to the forefront: *whether the EU operates with double standards* (see p. 11, Annex 1: ‘Double Standards’).

More Dilemmas

In the longer-term Europe will face additional major dilemmas. These include:

- An aging population and workforce shortage associated with the demographic change;
- Social transformation as a consequence of immigration;

⁵ LE BOURGET, François Hollande declares war on global finance, *The Economist*, 28 Jan. 2012.

⁶ Erich Hoedl, economist and former Rector of Universities Wuppertal and Graz.

⁷ The notion “Sachzwang” is used in political discourse where it may help to distinguish between arguments and decisions made by politicians.

⁸ Ulric Fayl v. Hentaller et al., *Sustainability of Culture*, The Global Round Table, ISBN 978-963-08-3838-2, 2012.

⁹ *Euractiv*, 9 March 2012, <http://www.euractiv.com/euro-finance/economists-euro-crisis-may-news-511423>

- Energy resource scarcity;
- Strategic raw-material availability and supply. Water scarcity may fall under this category;
- Access to reliable markets for EU's own products is another area where Europe could become increasingly vulnerable.

The situation could also become serious for Europe's most important strategic partner the US, although to a lesser extent than for Europe. Yet, both Europe and the US will increasingly expose weaknesses, though at differing magnitude and speed, and become more and more dependent on the rest of the World.

There are scores of available related data on these issues. As an illustrative example, the following is limited to observations on the expected global demographic transformation – probably the most critical issue for Europe in the long term, although currently doesn't receive adequate attention.

Europe, as well as the US, must vigilantly follow the global demographic developments and the trend of people to leave one place (county or even continent) to another with better prospects for existence or simply to survive. Apart from war and political- or religious discrimination, emigration results most often from environmental disasters and overpopulation and associated stresses.

The forecast for the World population¹⁰ during the period from 2005 to 2050 is a dramatic change:

- an increase from 6.515 to 9.191 millions, mainly resulting from increases in:
 - Asia from 3.938 to 5 266 millions; and
 - Africa from 922 to 1.998 millions;

while the increases will be moderate in:

- North America (from 332 to 445 millions);
- and Latin America (558 to 769 millions);

and for Europe the forecast suggests an opposite development:

- a decrease from 731 to 664 millions.

In this process the global geo-political situation is being severely reshaped in particular due to the following development (see p. 15, 'Reshaping the Geopolitical Landscape'):

- In the Developed World the population and workforce will continue to shrink, notably Europe and Japan will face the most immediate impact;
- In the Developing World urban growth and societal stress will be particularly great and infectious disease burden will aggravate demographic problems;
- Some of the World's poorest and most politically unstable countries will have the largest population.

Almost all population growth will occur in the Developing World with poor economies and, as a consequence, these countries will experience the largest proportion of youth population with all the associated challenges.

¹⁰ United Nations, <http://donsnotes.com/places/world.html#population>.

The young generation is the most dynamic part of any society. They are more mobile and ready to immigrate. Immigrants will arrive with their own culture. While the US is accustomed to assimilate people from foreign cultures, Europe has much less experience in this area – indeed some countries have practically none. This will be a major challenge for the Europeans as well as for the immigrants themselves as it is expected that in the future the latter will arrive in increasing number.

In this previously not experienced situation, the fundamental core values from the ‘outside’ could more easily penetrate the Western societies than the other way around. The key issue here is whether Europe will be able to maintain its essentially Judeo-Christian values and fundamentals?

At the same time, it might not be possible – even meaningful to try – to transfer Western style democracy and core values¹¹ to parts of the World where fundamentally different cultural traditions and social- and family structures have developed and existed for considerable time. Such examples are numerous; the most recent ones are Afghanistan, Egypt, Iraq and Libya.

In Europe large-scale immigration could result in previously not experienced popular movements with socio-cultural objectives that Europe had already passed in its earlier development.¹² It could even influence the agenda of established political parties (notably the most populist ones) or result in the creation of new ones. Such developments could have far-reaching consequences for the key fundamentals of European preeminence within the World community as regards the possibility to remain one of the World’s cultural-, moral-, social-, economic- and political leaders.

‘The Global Round Table’ discussed the related implications at its 2011 annual main event (20–21 October 2011, Budapest) and concluded that:¹³

The above not-unlikely development (i. e. large-scale immigration) necessitates careful reflection by the EU. Forward-looking cultural policy combined with skillfully managed immigration policy could lead to a *new renaissance of Europe*.

At a larger scale, co-ordinated migration could be a partial solution to the global demographic imbalances, an increasingly critical issue for both the Developed- and Developing Worlds.

For Europe this would mean paradigm shift: moving away from challenge to opportunity. That is opportunity to enrich each other’s culture, while respecting the fundamental European core values.

But migration could result in ethnic and religious shifts in the receiver countries with the potential to aggravate social tensions.

¹¹ Core Western values mean: primacy of individual human being, human dignity and rights, equality between men and women, democracy and secular governance, and rule of law.

¹² The foundation of European culture was laid by the Greeks and strengthened by the Romans. Christianity contributed with basic principles that were renewed and rationalized by Renaissance and Reformation.

¹³ See Footnote 8, p. 4.

Some developed countries practice more successful immigration policies and targeted approaches than Europe, notably the US, Australia, Canada and New Zealand.

Europe has still to find optimal solutions to its minority problems such as full assimilation of its Romani (Gypsy) population, as well as the left behind minority populations in some parts of Europe due to the major reshuffling of national borders after WWI, WWII and the recent Balkan war.

Dooms-Day Scenarios

Seen through today's spectacle, the immediate dooms-day scenario for the EU and even globally could be that:

- The current financial crisis would lead to lasting damage for the EU structure through activities by:
 - Nationalist separatist movement;
 - Political extremists (left or right);
 - Xenophobia.

One can only hope that the joint EU fight of the various crises has generated sufficient social- and political cohesive strength to maintain an intact EU structure.

- The 'Arabic Spring' could spill over to regional conflicts possibly with broader damaging international consequences.
- The conflict with Iran could lead to war – or even worse, to the use of advanced and sophisticated weaponry.

Concerning the 'Arabic Spring' and Iran, Europe must manage a vigilant balancing act as it is not obvious what best would serve its interest: to be pro-active or no action at all?

NEW GLOBAL ORDER

Forewarning Mechanism

The currently evolving global situation makes it obvious that we are experiencing a dramatic change in balance of economic- and military power and associated politics. We have entered into a period of World history when players of previously secondary rank are gaining global importance and influence. This New Global Order¹⁴ will have profound significance for many aspects of individual nations and their interactions.

In this evolving situation the most important new players are the:

- "BRIC" countries: Brazil, Russia, India and China; and
- "CIVETS" emerging countries: Columbia, Indonesia, Vietnam, Egypt, Turkey and South Africa.

¹⁴ Must not to be understood as the "New World Order", i. e. the conspiracy theory in which secret elite is conspiring to rule the world via World Government and Globalisation.

Europe, as well as the US, needs to take a clear position concerning their own roles within the New Global Order: Critically important questions for them are:

- In which fields is it a must to remain or become the global leader?
- And, who would be their most appropriate strategic ally(ies)?

Both Europe and the US will need partners – but maybe not each other, or at least not to the same extent as today.

Both Europe and the US must find own solutions to address own challenges and vulnerabilities. In addition to the aforementioned issues these include:

- Whom to attract as immigrants without emptying donor countries for talents?
- How to maximise benefits from immigrants?
- How to avoid possible socio-cultural earthquake as a consequence of immigration from fundamentally different culture regions?
- How to remain among the World’s cultural-, moral-, social-, economic- and political leaders?

The most essential question is, of course:

- *How to help maintaining a sustainable and peaceful World?*

In order to eliminate – or at least reduce the danger – of future global economic crises, both Europe and the US must be more pro-active and live up fully to their responsibilities. They must address global economic issues in a pro-active manner through:

- Reconsidering current ‘growth models’;
- Developing an alternative ‘new economic model’;
- Developing an appropriate combination of these; or
- Suggesting completely new thinking in the field.

In any case, courageous new approach (es) is (are) necessary based on visionary thinking and solid groundwork. And one must accept the fact that there are few, if any, experts in the fields who would be able to predict with any confidence the future direction of global economics.

Indeed, today’s anxious relations between aggressive neo-liberal capitalism (multinational companies and large-scale international speculators and their allies) and moderate and morally acceptable political approaches influence the man-on-the-street’s perception of the true situation.¹⁵

The current economic crisis demonstrates most clearly that the laissez-faire approach of being convinced that the MARKET will sooner-or-later find the right solution, doesn’t work, at least not in the current situation.

This is another imperative reason why a reliable and efficient forewarning mechanism is necessary.

“In the EU a mechanism is still lacking to recognise early signals of undesirable developments, i. e. trace ‘deviation from expectation’. Such mechanisms would allow more time for appropriate intervention and thus help to mitigate, ideally elimi-

¹⁵ This might also be one of the reasons of the tense situation surrounding the Hungarian problematic discussed later in Annex 1.

nate, potentially damaging impact upon people, society and the environment. Such a mechanism could also act as guardian of ‘Europe-2020’ implementation.”¹⁶

Signals Before the Crises

Crises most often result from complex underlying processes. They rarely arrive from one moment to another without presage. This is even more so, when the crisis is as global as the current one.

“Today’s Western States and their democratic politics are facing dilemmas concerning globalisation and the non-Western way of thinking and life. Factual analysis should help to lead to the way out of the box thinking that might produce solutions.”¹⁷

In order to increase the ability to respond in a timely manner to both expected- and unexpected developments and introduce appropriate counter-measures, it is necessary to be aware of the crisis emergence as early on as possible. Although simultaneous emergence of unavoidable socio- and geo-political transformation may make this more problematic – it is not impossible to detect it.

The authors suggest to vigilantly monitor the behaviour of- and signs by those key actors who manipulate, often behind the scenes, and in part initiate the crises or contribute to their emergence, duration and extent.

As an illustrative example, the authors suggest that in connection with the current crisis the key *Manipulators* were the:

- *Sharks: International Capital*

These operate globally and most often with limited – if any – democratic control. Their sole and single-minded aim is profit for any price without or with absolute minimum social consciousness.

- *Prophets: Rating Agencies*

These include eg. Moody’s, Standard & Poor’s and Fitch Ratings – all of who have questionable integrities at best. They serve their customers and also operate without democratic control and with absolute minimum social consciousness. They produce self-fulfilling prophecies on the back of hidden agendas.

- *Tormentors: Printed & Electronic Press and Media*

These have the power to promote allies and eliminate foes. Only very few of them can lay claim to being completely neutral and independent. Most often they follow a particular ideology and operate under the influence of party politics and / or capital. Their social consciousness is questionable (eg. the recent ‘Murdoch’ case in the UK).

- *Converted: Cold War Legacy*

These are former adversaries that are highly adaptive and position themselves as ‘liberals’ or ‘democrats’. They operate internationally with the networks inherited unbroken from the former Cold War era. They have well-established contacts

¹⁶ Gilbert Fayl, Ulric Fayl v. Hentaller, *Running Without Learning*, included in *Europe Quo Vadis?* pp. 161–170, ISBN 978–83–932287–0–6, 2010.

¹⁷ George Schöpflin, *Politics, Illusions, Fallacies*, ACTA Universitatis Tallinnensis, 2012.

to the press and media and are highly skilled in co-operating with them – or even in manipulating these.

More generally, in order to be able to make the best use of this proposal for early detection of signals for potentially emerging crises, it will be necessary to carefully assess on a *case-by-case basis* the following issues in their complexities and potentially global implications:

- Most probable and relevant Manipulators;
- ‘Decoding’ their behaviour, including those that may appear ‘innocent’ in the short term;
- Most relevant early signals and their potential implications?

THE BIG QUESTION

The end of Cold War released a great deal of human talents and pent-up greed. At the same time new investment- and earning opportunities were created in new fields and new markets. (The latter include the previous socialist countries in Europe. Most of these have become EU Members and still others are on the way.)

The Internet is accelerating this development.

In today’s economically harsh environment, national- and local governments need continued supplementary investment in order to ensure economic growth and job-creation. Therefore, national- and local governments queue for the benevolence of multinational companies and large international investors.

Those who have money are currently able to gain an un-proportionally dominant influence. That means: more money equals more influence, indeed opportunity to the point of over-riding democratic decisions and not seldom political authority.

We have entered into a new phase of market- oriented and dictated expansion (or contraction!) where money has become more important than – or at least as important as – the rules of democracy:

DEMOCracy has degenerated into MONEYcracy.

In this situation the essential question remains:

- Will we continue with the *great illusion* that the “market” will sooner-or-later find the right solution? Or:
- Are we ready to admit that something more innovative must be done?
- If yes, who could provide high quality and independent scientific advice in time?

THE WHITE KNIGHT

The National Science Academies have demonstrated beyond doubt their ethical- and moral authority and intellectual capacity. On the practical side, they are institutionally established, independent from party political considerations and have well functioning infrastructures.

These features give the preconditions for formulating in time independent high quality scientific advice. Such advice is necessary to respond in a timely manner to both expected- and unexpected developments and introduce appropriate measures and / or counter-measures.

STRATEGIC PARTNERSHIP

The authors of this article recommend that political leaders should make full use of the unique intellectual resources the National Science Academies possess, while respecting in full the Academies' autonomy, through a *strategic partnership*.

To this end, the National Science Academies should be requested to strengthen, or set-up if not yet in existence, within their structures *dedicated 'observatories'* with the aim to:

- i) identify evolving signals of relevance and monitor development;
- ii) assess potential consequences for short- medium- and long term; and
- iii) formulate in a timely manner independent scientific advice in support of public policy making.

In turn, the National Science Academies must live-up to their enhanced role and responsibilities, and reinforce their trend monitoring abilities and scientific advisory capacities. Particularly important would be to look beyond the time horizon of political leaders and at issues of socio / economic consequences that otherwise escape the attention of busy politicians.

A draft proposal for a related declaration to be issued at this international conference is included on p. 14, Annex 2: 'Strategic Partnership'.

There is, of course, the alternative possibility to continue with the current *laissez-faire* approach of damage limitation crisis by crisis.

Word of warning, in spite of the massive scientific advisory potential that exists worldwide, the World community found itself unprepared when faced with the current crisis.

*

ANNEX 1

Double Standards

The current financial crisis brought another issue to the table at EU level: Does the EU operate with *double standards*?

It should be recalled that back when EU leaders agreed on the Budget Stability Pact, they were unambiguous in stating that sanctions would be automatically and consistently applied against Member States deviating from the agreed rules (including a max. 3% annual public budget deficit). It is difficult to recognise this consistency when faced with what happened on the 13th of March 2012, when the EU decided¹⁸ to apply financial penalties to Hungary due to its soaring public debt (4.2% in 2010). On the other hand, Spain with a significantly greater public deficit

¹⁸ Unless the Hungarian Government will take appropriate corrective measures, 500 million Euros' worth of EU grants will be frozen next year. Promising news, according to the EU Commission (11 May 2012), Hungary's budget deficit will be 2.5% in 2012 and 2.9% 2013 – http://ec.europa.eu/economy_finance/eu/forecasts/2012_spring_forecast_en.htm.

(9.3% in 2010) obtained concessions. Indeed, “*the Austrian finance minister criticised what she called ‘double standards’ and ‘political sanctions’ against Hungary*”.¹⁹

In both cases, the respective Governments inherited the debt from their Socialist (and Liberal) predecessors. The obscurity is that the Hungarian Socialists (lost their political influence after the 2010 election) and their former ally, the Liberals (voted out of Parliament) have managed to move Hungarian national issues to the international scene. There they are aggressively lobbying against the current Conservative / Christian Democrat government. And this is happening at both political level and via the international finance lobby.

The new Hungarian Constitution that was approved by the Parliament at the end of 2011 with a two-thirds-majority doesn’t ease the political tension. The new Constitution is a thorn in the side of Hungarian Socialists and Liberals who have successfully managed to communicate their concerns to the EU institutions and their various political allies abroad, as well as in the international Press. They claim that the Constitution is controversial and undemocratic.²⁰ The Press has turned out to be an influential ally and a loudhailer against a government with exceptionally strong domestic democratic support.

The situation is even more complex: Hungary is not yet in the Euro-zone and must meet the deadline of the EU’s agreed ceiling for its annual public deficit of 3% of GDP by the end of 2012. Spain, on the other hand, already being in the Euro-zone has obtained concession and only needs to meet that target in 2013.²¹

The above clearly raises the issue of double standards.

In this highly charged political game the opinions within the EU are divided:

- On the one hand the EU and the European Federalists fear that a more determined national reference as expressed in the new Hungarian Constitution could become a model for other Member States.
- On the other, less outspoken but equally concerned people feel kept at arms length when major political decisions are taken at EU level.²²

It is important to pay attention to the *shift of power within the EU’s political landscape*. The EU’s interaction with Greece and Italy, and above all with Hunga-

¹⁹ Euobserver.com, <http://euobserver.com/19/115578>, 2012.

²⁰ According to the Socialists and Liberals, the new Hungarian Constitution and related laws are not in line with EU legislation. That includes: press freedom, juridical- and banking systems, and church regulation. Reference to Christianity and national heritage is also thorn in their flesh.

²¹ At the very moment of finishing this article (30 May 2012), “*Commissioner Olli Rehn, the EU’s top economic official said, was ready to consider extending Spain’s deadline to hit tough deficit targets by a year, the clearest sign the EU is concerned austerity measures it is enforcing in eurozone countries may be deepening the region’s recession.*” <http://www.ft.com/cms/s/0/07ca23bc-aa48-11e1-8b9d-00144feabdc0.html#axzz1wNBd6pcP>

²² In particular, the “Merkozy” phenomenon: the claim that the German Chancellor Angela Merkel and the French President Nicolas Sarkozy (politically both Center-Right) were micro-managing the EU agenda. But this era ended on the 6th of May 2012, when the Socialist François Hollande was elected as President of France.

ry, demonstrated that the EU Commission and the EU Parliament²³ are ready to forcefully- and in-full use the power they have gained through the ‘Lisbon Treaty’ (2009).

At the time of writing this paper, the EU Commission and the Hungarian Government are in dialogue. Senior Hungarian officials stated that any outstanding issues would be resolved within a few months.

For Hungary this should eliminate the threat of penalisation by the EU – even if the double standards issue remains on the table.

According to Turkish politicians and media, the EU is also applying double standards when it comes to accepting new members. Indeed, while the negotiations with Turkey have started several decades ago and are still ongoing, a whole series of new Member States have been accepted.

At the superficial political level, the biggest outstanding issue with Turkey is the divided Cyprus where one part is under the political influence and military protection of Turkey, and the other is EU Member.

But the not outspoken issues are still poles apart and open a series of questions with critical importance for future co-operation between the EU and Turkey – in particular:

- Would the EU be able to take in a country with a steadily increasing population, which would soon become the largest EU member with all its political and cultural implications for the rest of the Union?
- Would a newcomer’s assertive culture and religion collide with the Judeo-Christian traditions and values of Europe? Here, *honour killing* and *forced marriages* – already practised in Europe by immigrants – are examples of controversial issues.
- There are also those who question whether Turkey, with around 95% of its territory outside of geographical Europe, belongs to the EU at all?

Some political leaders in the EU have voiced their opinion loudly: “*Islam is not compatible with German law*” (Angela Merkel, German Chancellor, Sept. 2010.); “*Multiculturalism has failed*” (David Cameron, UK Prime Minister, Sept. 2010); “*The clear victory of Islamic-conservative-nationalists forces /in Turkey/ worries me. It can’t lead to full EU membership*” (Joachim Herrman, Bavarian Minister of Interior, June 2011).

According to Joachim Gauck²⁴, the new President of Germany, “*Muslims living in Germany are more definitively a part of the country than the religion of Islam*”. This was a deviation from his predecessor, Christian Wulff, who stated “*Islam is now also a part of Germany*”.

Political leaders must continue to carefully follow a balancing act between:

²³ As an example of EU Parliament’s determination, delegations from its Socialist / Liberal / Green fraction were paying ‘fact-finding’ missions to Hungary. Interestingly, it was reported that they have only been in contact with their political allies on the ground.

²⁴ Die Zeit Online Deutschland, 31 May 2012.

- Political realities: economic- and geopolitical considerations where Turkey is undoubtedly an important partner; and
- Political pragmatism: listen to electorates in order to be re-elected in a troublesome economic situation where people are sceptical about the ‘unknown’

The incident in March 2012 in Toulouse, France, where an Islamic terrorist killed several grown-ups and children, only adds weight to Islam phobia.

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ANNEX 2

DRAFT – Strategic Partnership – USE THE BEST –

*Proposal for a declaration to be issued at the international conference
“Humanities and the Contemporary World”,
7th–9th of June 2012, Podgorica, Montenegro.*

Motivation

In spite of the massive scientific advisory potential that exists worldwide, the World community found itself unprepared when faced with the current financial crisis.

The financial crisis is only one example of major challenges the World community is facing and will increasingly face in the future.

An efficient early warning scientific advisory mechanism is lacking.

Such mechanism should recognise early signals of potential interest, thus allowing more time for appropriate intervention and help to mitigate, ideally eliminate, possible damaging impact upon people, society and the environment.

In Europe, such a mechanism could also be helpful at national level in connection with the implementation of the EU objective ‘Europe-2020’.

The National Science Academies are best suited to formulate independent high quality scientific advice. They have demonstrated beyond doubt their ethical- and moral authorities and intellectual capacities. On the practical side, they are institutionally established, independent from party political considerations and have well functioning infrastructures.

Recommendation

Participants of this international conference recommend that:

1. Political leaders should make full use of the National Science Academies’ unique intellectual resources, while respecting in full the Academies’ autonomy.
2. The National Science Academies should be requested to strengthen, or set-up within their structures dedicated ‘*observatories*’ with the aim to:
 - i) Identify evolving signals of relevance and monitor development;
 - ii) Assess potential consequences for short- medium- and long term; and
 - iii) Formulate in a timely manner independent scientific advice to support policy making.

3. In turn, the National Science Academies must live-up to their enhanced role and responsibilities, and reinforce their trend monitoring abilities and scientific advisory capacities. Particularly important would be to look beyond the time horizon of political leaders and at issues of socio / economic consequences that otherwise escape the attention of busy politicians.

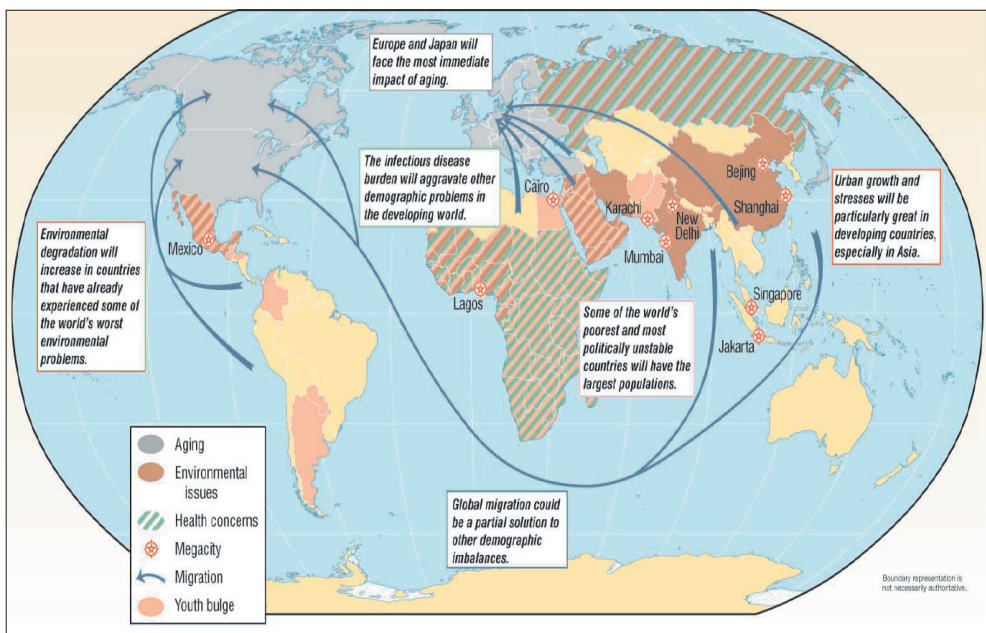
A strategic partnership between political leaders and the National Science Academies would be mutually beneficial and increase the quality and relevance of public policy making.

Transmission

Participants request the conference organisers to transmit this declaration to relevant bodies and individuals, including the ALLEA President for transmission to ALLEA members.

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Reshaping the Geopolitical Landscape Snapshot of Global Demographic Trends



Source:

https://www.cia.gov/library/reports/general-reports-/Demo_Trends_For_Web.pdf