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## **Sir Winston Churchill Memorial Lecture**

17th October 2019

### ***"Whither Europe in the Context of the rise of Asia"***

It is a very great personal honour to be invited to give this lecture on the occasion of the relaunch of the Sir Winston Churchill Memorial Lecture series.

I have spent thirty years living and travelling in Eurasia. Of its 85 countries I have visited all but a dozen and spent significant amounts of time in several of them. For historical reasons, we have tended to think of Eurasia as two separate continents - Europe and Asia. But there are no geographical reasons for this arbitrary human division. It is, in geographical terms, one single land mass. And increasingly, as human connectivity deepens and broadens, we need to recognise the cultural, political and economic implications for Europe of this crucial fact.

At the time of the Roman empire, Eurasia - which represents 36% of the world's landmass - was home to the vast majority of all the world's human beings. Even now, despite huge population growth in the Americas and in Africa, it has about 70% of the global population. At the time of the Roman Empire, no one had travelled from one end of the landmass to the other. But the Romans and the Chinese knew of each other's existence - and the insatiable Roman appetite for silk was a major impetus for an emerging east-west trade over very long distances - a trade which was named for the silk but which also came to include precious gems, copper, spices, chemicals, glass, the all-important horses - and weapons.

Closer encounters were all too often violent: witness above all the centuries of wars between Greeks and Persians, both before and well into the Christian Era (a contest which in a sense mutated later on into the great struggle between Christendom and Islam). It is one of the oldest cultural fault lines in all of human history. The epic stories - told to us mainly from the Greek side, from Aeschylus and Herodotus onwards - are however only part of a broader pattern recurring throughout Eurasia. One clan, or tribe, or nation, would expand, at the expense of less energetic, less well endowed, less well organised neighbours. Over the millennia, empires and civilisations have waxed and waned, many leaving traces visible only to archaeologists and philologists.

Some reached degrees of sophistication that are extraordinary given their antiquity: thus, for example, the Harappans left their remarkable city outlines in the Indus Valley and treasures including an exquisite bronze statuette of a dancing girl from four thousand years ago - but an indecipherable script and tantalisingly little evidence of how they developed and why they went into decline. Over the centuries, others - some nomadic, some settled - came and went, rose and declined, were decimated or just absorbed by the next group whose star was rising. The history of it all can seem like a continuous swirl. Cities and states sometimes lived and let live, and sometimes went to war. Nomads sometimes traded with and sometimes raided the settled communities: they were an age old scourge of China, Iran, Russia and Europe. But above all there were the Mongols, whose incredible and terrifying explosion across the landmass brought them nearer than anyone else before (or since) to ruling Eurasia from sea to shining sea.

The first empire with any sort of programme or sense of destiny underlying its expansion was Persia. The new idea that conquest could be a civilising duty - or at least that it would confer civilising benefits on the conquered - might be said to be the legacy of Cyrus and Darius (the former being famously accoladed in the Bible as the Lord's anointed by a Jewish prophet). At its height, the Persian empire was at least three times larger than present day Iran; and its rulers described themselves as Kings of kings. They were followers of



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what was probably the world's oldest theism, and they constructed the world's first bureaucracy and communications system to run their empire.

Others would follow, their expansion driven by a sense of purpose which went beyond simply collecting the spoils of victory. Ashoka took his Indian Buddhist philosophy deep into Central Asia. The apogee of the Roman idea came, ironically, after the death of republicanism, when the Emperor Caracalla granted full Roman citizenship to all free men of the empire in AD 212. This Roman idea is effectively the basis for what became the concept of Christendom - which in turn became the potential basis for a European identity.

Then came Islam - the most spectacular explosion created by a new idea in all of history up to that point. Islam reached the Pyrenees and the gates of China within its first century. Its control and transformation of the lands central to Eurasian communications ensured the emergence of the most sophisticated, cosmopolitan and creative culture the world had yet known. The cross fertilisation of ideas - Chinese, Indian, European, Persian - that took place under this Islamic aegis made it one of the greatest times for the development of the human spirit in all history.

Then there is China itself: though not the world's oldest continuous civilisation, China is certainly the world's oldest continuous identity, founded on the bedrock of a holistic cosmological and terrestrial philosophy which saw its emperor as having the mandate to rule all under heaven. The most ambitious assertion of this mandate came with the now famous voyages of the Ming Admiral Zheng He in the early fifteenth century - at a time when Islam was in retreat in the west and just before the Europeans took to the high seas.

Europe's turn to dominate the Eurasian continent came next. When Europe was in the ascendant, Charles V ruled over domains which covered much of Europe as well as huge swathes of a new world in the Americas and stretched all the way round to Manila. His motto was 'plus ultra' - there is more beyond. His faith and commitment to his role as Holy Roman Emperor was deep and personal.

But in all cases, efforts to dominate Eurasia by or on behalf of any ruler ran out of steam, either because they ran into adversaries who brought them to a halt or just because sheer extension became unmanageable. Even the fearsome Mongols reached a high water mark: they were stopped from totally overwhelming Islam in the end at the crucial battle of Ain Jalut in 1260; they turned back from central Europe, daunted perhaps by the unfamiliar and uncongenial forests that blocked their progress further westward; and a 'divine wind' protected Japan from Kublai Khan's invasion force in 1281.

But not just the Mongols. Others too found their limits, tested them and went no further. Alexander turned back at the Indus valley. Ashoka's domain didn't long survive him. Islam found its high water marks to the west and to the east within three decades of each other, at Poitiers and at Talas. China failed to extend its tributary relationships around the Indian Ocean, and then withdrew to its own mainland under the later Ming dynasty. Charles V Habsburg retired to his monastery, exhausted by the burden of his mission.

Since then, others have sought dominant positions in various regions of Eurasia - notably the Turks, who built an empire on the ruins of Byzantium; the British, whose trade drew them into empire in India; the Russians, who moved into empty Siberia and into the central Asian vacuum left by Mongol destruction; the Japanese, who emerged from more than two centuries of near total isolation to erupt into Eastern Asia just at the time when the Qing dynasty in China was losing the Mandate of Heaven; and lastly the Americans - the first non-Eurasian power to play a role (and a decisive one) in the landmass, at both ends of it, in the wake of the Second World War.

None of these powers has ever achieved anywhere near overall dominance in Eurasia. But all this interaction has seen extraordinary development of the human spirit. All the major living cultures of the world originate from Eurasia. And as connexions have been established and broadened, knowledge of our context and of

each other has deepened; so life experience everywhere has become enormously more complex and more sophisticated.

Yet what has emerged is not any kind of shared polity or common identity; growing connectivity and interaction have not - or at least not yet - produced any sense of shared interest or common purpose. Rather, all the jostling has produced a balance amongst a handful of dominant powers, each with its own identity rooted in its own history and self-understanding. By the dawn of the new millennium it was becoming clear which these dominant powers are: China and India, the two behemoths; Russia, straddling both Asia and Europe, and ill at ease with all its neighbours; Iran, with its central position geographically but its problematic relationships within the Islamic world as well as with the West; Turkey, would-be European but also would-be standard bearer for a pan-Turkic consciousness; and Japan, with its uniquely strong social psychology, more impenetrably different than any other major society on earth; and America, whose Pacific interests draw them inevitable into the Eurasian geopolitical balance. All of which begs an obvious question: what about Europe, prosperous but struggling to achieve cohesion and unsure of what it stands for?

At the dawn of the new millennium, this Eurasian balance looks increasingly like what became known in the context of European history as the Westphalian order. Cultures differ, identities differ, governance systems, even values can differ: and in the absence of any universal ideal backed by a power able to compel it on peoples, the default option of human affairs is 'cujus regio, ejus religio'. Europe arrived at this position in 1648 by exhaustion. Eurasia in the twenty first century seems to be arriving at it through mutual recognition of realities.

But such a balance is not stable. Henry Kissinger has noted that a Westphalian system has no direction of travel. It depends on balance - that is, on there being no member of the dominant group of powers which is expansionist and too powerful to be constrained effectively by the others. The European system was always fragile and was repeatedly threatened during the eighteenth century, before being blown apart by the French Revolution. The resulting convulsions brought the Russians onto the European stage for the first time, before a new balance was temporarily established at the Congress of Vienna - only to be thrown into play again by the unification of Germany.

The European settlement was finally brought down in the first decades of the twentieth century by ethnic and cultural nationalism (everywhere), by borderless ideas which challenged the existing power structures (notably, communism) - and by a rogue state which had no interest in the status quo (Serbia). At that stage, the rest of Eurasia was largely a playground in which European rivalries were fought out. Now Asia is resurgent, whilst Europe has exhausted its passions and is preoccupied with its internal cohesion and its identity. So the new stage is a Eurasian - not just a European - one. And on the face of it, this time is different. The rising powers of Eurasia expect to exert regional influence: but they do not expect control the whole continent. Their priority is economic development at a rate sufficient to meet the yearnings of their peoples.

Against this background, many people are tempted to argue that Eurasia is really a story of two parts: a story of the rise of energetic Asian countries and of the decline and fall - even the breakup - of a tired and insecure Europe. Let me first make this case - the bull case for Asia and the bear case for Europe, so to speak - before coming back to raise a few questions about such a pessimistic scenario.

I begin with the bull case for Asia - not for all of it, but certainly for East Asia, for India and for South East Asia. My starting point has become familiar to us all: the extraordinary economic rise of Asia. This transformation has been under way for roughly a generation now. We now recognise that a historic convergence is under way. In 1820 the size of an economy relative to the world total output was roughly equal to that country's share of world population. Then as now, China had the largest population, and its economy was the largest in the world.



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We all know what happened thereafter. The industrial revolution meant that for the first time in human history, some economies were able to produce consistently above subsistence level, thus creating a gap between relative economic strength and relative population size. First the Europeans, then the Americans, and later the Japanese, thus achieved enormous increases in world market share. At the peak of their relative outperformance, these developed countries created around three quarters of world GDP, even though they represented less than a fifth of the world's population.

China was left behind. The gap is now closing again, as China - and also country after country in Asia - start to catch up with the standards of living which Europeans have come to take for granted. By 2025, on present trends, China will probably be the world's largest economy again. China is already the largest exporter, the largest builder, largest consumer of steel, the largest emitter of carbon. This much we are familiar with. But this is just a milestone: the best central forecast is that China will continue to grow rapidly for another generation, in stark contrast with the sluggishness in the old economies of Europe. So as its income per head gradually approaches European levels, China will not just be the largest but by far the largest economy in the world - perhaps well over double the next largest.

By historical standards globally this has been an astonishingly rapid transformation: hundreds of millions of people have been lifted out of poverty in just one generation. But it is not fundamentally different from the earlier experience of the Europeans. As they modernise, all countries urbanise: there is no exception to this rule. Britain's 19th century industrialisation moved the country from being eighty percent rural to eighty percent urban over a century. China is achieving the same effect more quickly. And already some of the implications are becoming clearer. The new China which began by mobilising huge pools of low cost labour has become a competitive challenge further and further up the value chain as it moves from toys to electronics to high speed trains and to aerospace.

More and more, we Europeans begin to fear that their technical brilliance may overwhelm us in the very areas of strength we have prided ourselves on. In fact, for several decades now, we have been fighting a rearguard action in our own minds: ever since the Japanese (and then the Koreans, the Taiwanese, Hong Kong and Singapore, now mainland China) began to take on the West at their own game - exporting goods that were initially derided as being cheap, poorly designed would-be competitors of the real Western thing - we have convinced ourselves that there is always a remaining comparative advantage to which we can retreat. Whether it was primary research as opposed to 'mere application', or artistic creativity as opposed to 'mere excellence in performance', or elegance and originality of design as opposed to imitation and kitsch, or education which stressed lateral thinking as opposed to 'mere rote learning' - we Europeans have wanted to hang on to something distinctive that would not be swamped by the rising tide.

But no: with every passing year it becomes ever clearer that there are no European heights that the Asians will not eventually scale. The Americans face the same challenge, of course: but Europeans ruefully recognise how the much greater inventiveness, drive and flexibility of the American society and economy has enabled them to continue renew themselves in the most unpredictable ways. No European country has been able to match the spectacular successes of Silicon Valley, which few had even heard of a generation ago when China began to open up.

Hence the bear case for Europe? Simply put, the twenty first century is not going to be Europe's age. Europe is now in long-term relative decline, both politically and economically. It is no longer the energetic, ambitious and aggressive continent it was when the Portuguese, the Spanish, the Dutch, the French and the British set out over the oceans to plunder, trade and colonise. Europe also is no longer the continent whose technical brilliance the Chinese Qianlong emperor so unwisely spurned when the British emissary Lord McCartney sought to open commercial dealings with China in 1793. Nor is it any longer the frontline of the Cold War and thus one of America's highest strategic priorities. Europe has retreated from being the self-defined centre of the world to being what it had been before the 15th century - a corner of the Eurasian land mass.

At that time it was backward in comparison either with the sophistication of China (with which it had very little contact) or with the intellectual prowess of the Muslim world (which has left its visible European imprint in the glories of Andalusia). That is not true today: modern Europe is of course one of the most sophisticated and prosperous societies on the planet. But the question about how it can sustain its prosperity and its intellectual stature in an age when the centre of gravity has moved away from it - the question about what it has to offer and on what basis it can expect to retain its influence - is becoming more and more insistent.

The Chinese look at Europe and see a large and prosperous market with some attractive investment opportunities. But they also see a jaded and insecure society that has - to quote the famous, and still devastatingly accurate, remark by an erstwhile American Secretary of State about the British (but generalising it to apply to the Europeans as a whole) - lost its empires and not yet found a role. One Chinese diplomat somewhat sardonically summed up what Europe has to offer to the modern world as 'museums and education'. It is as if the fate of modern Europe might in the end echo that of classical Greece. That ancient culture to which we owe so much is remembered now for its literature, its philosophy, its democratic experiments, its internecine warfare, and an empire which expanded far and wide before fragmenting and then being overwhelmed by newer, more dynamic powers. Does such a fate await Europe now? China and the United States are increasingly wary of each other. As they watch each other, they both recognise what is happening and know that Europe is losing its historical significance.

But is the Asian path to power and dominance in Eurasia really going to be so smooth? Is there in fact a bear case for Asia?

For there are in fact some dangerous land mines on the road ahead in Asia. Firstly, there are some worrying questions about the sustainability of its models of economic development. In particular, it is widely recognised that China faces enormous challenges in the next few years. It has a seriously unbalanced economy, over dependent on exports and on investment to drive growth. Corporate debt has risen too rapidly. Consumption is too low and savings are too high. It also faces a unique demographic challenge as the population starts to age and the dependency ratio rises. The risk is that China is heading towards a Japanese style problem of underconsumption which will threaten growth, just as it has in Japan. (As an aside, though, unfavourable comparisons with the demographics of India - the other great Asian behemoth - miss the point: India's challenge of creating jobs for a young and growing pool of poorly educated labour is even greater.)

Then there are the geopolitical risks, which are greater now than they have been for a generation. I have argued earlier that in geopolitical terms, today's Eurasian geopolitics are in effect Westphalian. But Europe's experience in the twentieth century is a reminder that there is nothing inherently stable about today's Westphalian Eurasia. And indeed, all the elements which made for the European tragedy are still there, visible on what is now a Eurasian - not just a European - stage. To begin with, we need to remember that there are five established nuclear powers engaged on the continent, and at least six other countries with varying degrees of commitment to and capability of nuclearisation. There is at least one rogue state ready to play the role Serbia played in 1914 - possibly two or three - and all of them have nuclear pretensions. And cultural nationalism of a potentially dangerous kind is taking on a new lease of life in all the major Asian powers - China, Russia, Iran, India, Turkey - and never forget Japan. We can see where the flashpoints are: the South China Sea, the Taiwan Straits, the Korean Peninsula - and of course the cauldron of the Middle East.

So, finally, if Asia has much bigger risks than we often recognise, do we undervalue the potential of Europe? Is there, after all, a bull case for Europe?

The European project has some historic achievements to its credit. Not only has it kept the peace in Europe for over seventy years; it has enabled the modernisation of states such as Spain and Ireland. It has also been the framework for postwar Europe's two great reunifications - that of Germany, and that of East Europe's re-

integration into the mainstream of Europe's cultural and political life. These achievements are by any standards astonishing: far too often we take them for granted and overlook their huge significance. If, for instance, the EU had failed to embrace East Europe, it would have created a vacuum into which Russia would undoubtedly have moved.

Yet the European response to the new Eurasian realities has been underwhelming. It has been hobbled, firstly, by the complexity of a Union whose cumbersome structure seems all but impossible to reform; it has been distracted, secondly, by the onerous task of achieving a truly robust eurozone; and in the last few years the migrant challenge has put huge strain on European society - both physically and, perhaps still more importantly, culturally; relations with its neighbourhood - in particular with Russia - are uncomfortable; and, finally, Brexit is more than just an unwelcome distraction, because it calls into question the way the European project will be led going forward.

All this points to an identity crisis which has now become acute. The aspiration to achieve 'ever closer union amongst the peoples of Europe' is now openly challenged in many parts of Europe. Few believe that the European Union is one in which 'decisions are taken as openly and as closely as possible to the citizen' - to quote the words in the Treaty which immediately follow the statement of that aspiration for an ever closer union. And we are a long way from seeing the emergence of a European identity with any real hold on the loyalty of the people.

Over the last six decades the project has evolved, not according to a clear blueprint but in a general direction on which there has not always been complete consensus, and with a considerable measure of improvisation. The future will see more of the same. Somehow, the Union is like one of those great cathedrals of medieval Europe: those who laid the foundation stones knew they would not live to see the completed building, and also knew that the design would evolve as the generations went by. Some of those cathedrals collapsed because they were just too ambitious (Beauvais). Some remained incomplete for hundreds of years (Cologne). Others were never completed at all (Siena). Many of them came close to bankrupting the cities which undertook their construction. Yet many also became structures which were perhaps beyond even the boldest imaginations of those who laid their first foundations.

This reminds us of something about the European project. The Europeans have already been at it for sixty years or so: it has evolved over the years; and plainly there is a long way to go. The truth is that we will not see the completion or the final form of the European project in our lifetimes.

So will this work? Will Europe be able to become a flexible, cohesive and strong economic and cultural competitor and counterpart to those new Asian giants? The answer is not clear. Might the cathedral fall down? Might it bankrupt its builders?

My answer is that building this cathedral is worth the risk and the struggle. But that needs vision, energy, a readiness for risk. And the question now is: how well prepared for this is the European public? Is Europe ready for a cohesive presence on the world stage which integrates economic engagement, soft power and even hard power? At present, its agenda seems overloaded with challenges - enlargement in South East Europe, managing its borders effectively, cyber security, dealing with its neighbourhood, ensuring a new and constructive relationship with the British - and above all, perhaps, facing up to the implications of climate change.

But the deeper question is about how Europe is to be effective in representing what it *stands for* on the world stage of the twenty first century. For we need this. And indeed, Eurasia - and the world - needs this too. For Europe is not just a big market. Europe is also the history of how it became a peaceful and prosperous union of peoples - a history which is both sublime and tragic, and endlessly moving. It is also a continent which is a treasure trove of beauty - for all the destruction it has seen. From its ice age art to its neolithic pottery,



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through classical Greece and Rome, through the Renaissance to the Romantics and down to the present day: the fruits of European spiritual, philosophical and aesthetic exploration are, taken as a whole, the richest, most diverse, most vibrant, most searching anywhere on the planet.

As a result, Europe does have core values which have been hard won through history. These common values are the heritage of a tradition which has been shaped by such towering figures as Galileo, Luther, Erasmus, Descartes, Locke, Hume, Rousseau, Kant, Hegel, Darwin - and of course many others too. Out of their different perspectives, and out of the many and painful sins the Europeans have committed over the generations, has emerged something profoundly important for the whole world of the twenty first century: a commitment to rationalism, democracy, individual rights and responsibilities, the rule of law, economic effectiveness and fairness, social compassion, care for our planet. Even the sense that any European loyalty cannot be the last step or the highest stage of identity - that in some emergent sense we are also citizens of the world - this too is implied by those European values: this too is therefore part of Europe's proposition to the Eurasia of the twenty first century. All this is worth our loyalty: all this is worth our commitment.

I have not, in these final thoughts, focussed on the economic challenge. Deliberately so: Europe undoubtedly needs to look outwards more and to recognise what it will need to do if it is to continue to provide its citizens with economic prospects and opportunities - if it is to be competitive with those to the east who believe their time has come - if it is to better match the incredible versatility of the American economy. But it has plenty of creative potential and there is absolutely no reason to believe that it cannot make its way economically in the twenty first century. I have chosen, instead, to focus on the deeper question about what Europe stands for on the world stage - because it matters - to our grandchildren and to the other Eurasians on that same stage, who also have a long journey ahead of them.

Lord Green of Hurstpierpoint  
Luxembourg, 17<sup>th</sup> October, 2019.