

Transforming the world and Europe

French embassy in Italy

**Speech by
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Rome, 6 June 2024



In just a few years, the world has changed profoundly. We are experiencing an unprecedented deconstruction of the world order, with three major developments combining to drive this change:

- First, the return of war on European soil, for the first time since the end of the Second World War, with Russia's invasion of Ukraine.
- Second, the return of the Cold War on a global level. But an inverted Cold War: during the first the United States opposed the USSR, which had an underdeveloped China by its side, reeling from the upheavals of the end of Mao's reign. Today, the new Cold War features the United States opposed to a powerful and ambitious China, with a weakened Russia by its side.
- Finally, the return of a version of the Non-Aligned Movement, which is today called the “Global South” and which practices “multi-alignment” rather than “non-alignment”: countries like India, Brazil, South Africa or even Saudi Arabia do not want to have to choose between Washington, Brussels, Moscow or Beijing. They want to develop the most interesting partnerships with each of them.

These three major changes mark the end of five centuries of Western domination of the world. It started in 1492 with the discovery of America by Christopher Columbus and Magellan's circumnavigation, it was marked by the construction of huge colonial empires, two world wars, and the creation of international organizations all based in Western cities: New York, Washington, Geneva, Vienna and Rome. Their charters reflect the Western vision of international law based on the equality of sovereign states.

The peak of the Western influence lasted for ten years from 1991 to 2001. 1991 was the end of the USSR, driven by Boris Yeltsin, after Gorbachev's decision in 1989 to the end the Soviet empire. During this decade, market economics spread throughout the world, and particularly in China, which was going through profound economic and social reforms initiated by Deng Xiaoping. The globalization of the economy was accelerated by the invention of container ships. China became the world's factory and joined the World Trade Organization in 2001.

But 2001 was also the beginning of a downward spiral for the West. On September 11, 2001, the Twin Towers of New York were destroyed in the most terrible terrorist attack in history. The war in Afghanistan followed, and, unfortunately, the invasion of Iraq in 2003. Then, in 2007-2008, a serious financial crisis occurred, starting in the United States, and quickly reaching the entire world.

As a result, the perceptions of non-Western countries changed. These countries, of course, continued to modernize their economies. They continued to encourage globalization. But they refused to be “westernized” any longer.

This is true, of course, of Putin's Russia, who wants to be Catherine the Great and Peter the Great's heir, and wants to rebuild the Russian empire. This is true of Erdogan's Turkey, who wants to be Soleiman the Magnificent's heir and erase the legacy of Ataturk. This is true of Khamenei's Iran. This is true of Modi's India. This is finally true of Xi Jinping's China.

The “Global South” reflects this “de-Westernization” of the world, but also a clear refusal to belong to one camp or another. We saw this during the vote of the UN General Assembly days after the Russian invasion of Ukraine: invited to condemn this aggression which clearly violates the Charter of the United Nations, 45 countries chose to abstain and not least: China, India, Pakistan, Vietnam, South Africa, Algeria...



This new global geopolitical landscape obviously has a significant impact on Western players of the global economy. The days of “just in time” for supply chains do not exist anymore: we are moving to “just in case” and “near-shoring”. We are not going as far as “de-coupling” but we are seeking to “de-risk” supply chains. The Covid crisis has accelerated this rebalancing.

We can add to this the impact of the Cold War between the United States and China, with an increase of the American sanctions and retaliatory measures affecting players in the global economy well beyond the borders of these two countries.

In this difficult global context, how should we assess the European Union here, in Rome, where the founding treaty was signed in 1957 between the first six member countries? Without underestimating the scale of the challenges we face, I believe we can be reasonably optimistic, based on how Europeans have responded to past challenges. I will give two examples:

- First, the euro. I personally witnessed the considerable difficulties that had to be overcome since the creation of the “snake” gradually reducing the fluctuations of European currencies during the years of President Giscard d'Estaing and Chancellor Schmidt, until the Deutsche Mark, the franc and other currencies were abandoned thanks to the constant determination of Chancellor Kohl and President Chirac. Appointed Ambassador to Washington, I asked the Chairman of the Federal Reserve, Alan Greenspan, during a one-on-one lunch: “How could you let the Europeans create a common currency that could, one day, compete with the dollar?” His response was honest: “We didn't think you were going to succeed! »
- Another example, much more recent: the Covid crisis. Health is not part of the European Union competences. And, yet we were able to react very quickly all together by asking the Commission to negotiate the massive purchase of vaccines for all Europeans. And, then, we decided to raise together a loan of 800 billion euros to “build back better” the economies of our countries under the control of Brussels.

Today, Europe faces the three colossal challenges that I described earlier: the return of war in Europe, the consequences of the Cold War between the United States and China and, finally, the rise of the “Global South”. Will it be able to face them and emerge as the third major global player, with its own values, allied to the United States but autonomous, offering the world a path to peace and an example in the fight against climate change?

You may think I am excessively optimistic, but I believe in Europe. And I think that the European Parliament elections on June 6-9 offer us the opportunity to have, with the new Commission, a team able to meet these challenges.

Let us first note that we have been able to strengthen, year after year, the integration of our economies and our societies, with the common market, the single currency -which is a major success-, the abolition of internal borders in the Schengen area and the establishment of external border control.

The successive enlargements have been a success and have enabled the new member states to economically catch-up. In 1957, we were six countries and 180 million inhabitants, with the Soviet empire and its 300 million inhabitants facing us. Today, there are 450 million inhabitants in the 27 countries of the Union, with Russia reduced to 143 million inhabitants facing us.

But the world transformations that I have just described, starting with the return of the war on European soil, create for the Union formidable challenges. Will we be able to meet them and how?



With a war on our continent and due to the American electoral uncertainties, Europe must first relaunch its defense industry massively and quickly. The United Kingdom and Norway must be brought into this project: there is strength in unity! A real European pillar must be built within the Atlantic Alliance.

Of course, this European rearmament will have a significant cost which will be added to that of the fight against global warming and that of investments in new technologies. But we have the financial means. Europeans save massively: 14% of the GDP compared to 4% in the United States. But 300 billion euros of these savings, are leaving Europe and are heading to the United States.

Two former Italian Prime Ministers, Enrico Letta and Mario Draghi, have prepared two excellent reports on the reforms necessary to make the Union more attractive and as competitive as the United States. Let's adopt a European-style "Inflation Reduction Act"! Let's double our research budget! Let's deregulate our economies! Let's unblock our capital markets! Let's take more risks!

Another major project: the Union has decided to welcome, when the time comes, five Western Balkan states and now Ukraine and Moldova. In order to function effectively, this enlarged Union of more than 500 million inhabitants will have to revise its institutions beforehand, and in particular abandon the rule of unanimity in the fields of finance and foreign policy: no more veto right paralyzing the will of the vast majority of member countries!

By affirming its desire to welcome Ukraine and Moldova, the European Union has, of course, sent a clear message to Russia: Moscow's war of aggression has changed the situation on the continent. It is up to the Ukrainians and only them to decide if, when, and how this war should end. The so-called "Normandy format" negotiation among France, Germany, Ukraine and Russia made some progress possible but the Russian aggression interrupted them. Perhaps we should return to these negotiations when the time comes?

Beyond the European continent, in the rest of the world, the European Union is an invisible giant: the Union and its member countries provide 43% of the world's total development aid. But who knows this? The European Union suffers from a poor image outside its borders, worsened by hostile propaganda, particularly Russian.

Facing the increase of migration, particularly from the Middle East and Africa, Europe has decided to strengthen controls at its borders. It was inevitable. But this must be supplemented by a policy covering development aid and the fight against global warming which should both be more visible and, I dare say, conditional.

The creation and adoption of coordinated policies between the 27, negotiated with our partners in the "Global South", will improve the EU's image and reestablish balanced partnerships. It should be the same for trade and investment agreements with our major partners in Latin America and Asia, starting of course with China. In 2019, the EU commission rightly described China as "a cooperation partner" on major issues such as the fight against climate change, but also as a "major economic competitor" and finally as a "systemic rival" that promotes a model of governance different from ours. This realistic observation should not prevent us from cooperating for the benefit of both parties and the whole world, whenever it is possible. And I'm convinced it is possible!

Yes, these different views of the world, views of the countries of the "Global South" and of Europe, China and the United States, should not prevent us from cooperating. In fact, this cooperation is essential to take up the immense challenges of climate change, drastically different demographic developments depending on the continent, but also the current serious regional crises.



I am thinking of the crises on the African continent, whether it is Sudan, the eastern provinces of the Democratic Republic of Congo or the countries in the Sahel.

And I am also thinking, of course, of the crisis in the Middle East, of the confrontation between Israel and Hamas and of the real risk of extension of the conflict to Lebanon, or even to Iran.

Between Israelis and Palestinians, in 1993, we were on the verge of a two-state solution. Who does not remember the photo of President Clinton with Rabin and Arafat by his side, on September 13, 1993 at the White House? That day peace was, indeed, reachable based on the Oslo Agreements. Unfortunately, two years later, an Israeli extremist assassinated Rabin and, with him, the hope of peace. Today the two-state solution remains the only path to a just and lasting peace. To achieve this, several Arab states, including Saudi Arabia, are ready to bring their contribution to the peace process. Alongside the United States, Europe must be more involved. It can and it must!

At the end of this geopolitical journey, you will have understood that I truly believe in the European Union. I am convinced that the values that Europe invented several centuries ago and that its construction embodies today, offer to its peoples a bright future.

Better: in today's world of turmoil, I am deeply convinced that these European values, which became those of the United Nations Charter in 1945, still offer today the best path towards a world of peace and progress.