



“BEYOND BLACK & WHITE – THE PUBLIC AFFAIRS OF GLOBAL CRISES”

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Most public affairs people know how to cope with a crisis. They have the knowledge, contacts and experience to predict change in a policy sector with a high degree of confidence. They make their living by influencing the outcome of change. It gets more interesting when the need is to understand the interaction of different sectors in crisis. The Institute for Environmental Security explored this dangerous territory in early September with a seminar in Brussels entitled “The Perfect Storm: Trade, Finance & Climate in 2009”. It started off as an examination of the climate-friendly changes in the World Trade Organisation, the World Bank and the International Monetary Fund needed to underpin any agreement at the Copenhagen Conference of the Parties on Climate Change. It rapidly became an analysis of the short term inter-connections of the collapse of the Doha Round, the drying up of global credit and the extra problems this presented for climate change negotiations. In the last two weeks of September the various crises, political as well as financial, have merged to produce the potential for systemic change. Lobbyists have been playing their proper democratic role as carriers of messages between electors and elected. At times however one has the sense that lobbyists have no greater sense of what is likely to flow from their actions than do politicians. The vote on the rescue package in the House of Representatives on Monday 29th September may well be reversed, but for the moment it stands as a classic of political miscommunication. The next few years will either make or break the existing political structures of the planet as we struggle to understand the interaction of foreign policy, financial stability, economic interaction, trade and climate change. None of these crises are best handled by the black and white simplicity of political slogans. I rather like the idea, aired recently in the UK, of a campaign to print tee shirts with the slogan ‘I think you’ll find it’s a bit more complicated than that’. Campaigners thus dressed would be invited to stand next to those wearing tee shirts with simple slogans like ‘Ban the Bomb’ or ‘Make Poverty History’.

Ever since mankind started to burn fossil fuel we have emitted Black Carbon into the atmosphere. We used to call it soot. I am just old enough to remember when London was permanently black and prone to terrible smogs. The developed world cleaned up its Black Carbon emissions in the 1960s. For much of Asia however the emission of soot continues. It settles on the snow and ice of the planet. Its blackness reduces by 40% the reflective whiteness of the cryosphere – the world of ice and snow. This is known as the albedo effect. It has been studied in the Arctic for some time. Only recently has it become apparent that the damage is likely to be more extreme in the Himalayas. The industrial sites of Asia are not as heavily regulated as those of Europe. Forests are still burnt on a regular basis. In India 70% of domestic cooking and heating uses firewood as its fuel. The latest evidence from the Potsdam Institute for Climate Impact Research predicts catastrophic melting of the Himalayan glaciers in the 2020s. With such melting goes the summer water supply for all the great rivers of Asia. It should be an open and shut case for immediate action. Clean up marine fuel, cut down on diesel usage, put simple technology in place to capture the soot at source on Asian industrial plants. More action to inhibit the burning of tropical forests would help. Getting the Indian rural poor to switch to stoves burning on the pyrolysis principle, producing Biochar that can be used as a soil enhancer and ready made carbon store, would be even more helpful. One might think that Black Carbon and snow was a black and white issue. One would be wrong. Because Black Carbon is not a gas, its reduction is not being negotiated in the UNFCCC Copenhagen process. A classic example of people in one silo not communicating with those in another! Yet for those who want to find a way of moving India and China towards a deal, Black Carbon should be central as the great game of finding a global deal on the climate inches forward with the speed of continental drift.

Some years have the sense of the tectonic plates of humanity shifting beneath our feet. The Czechoslovaks were rightfully suspicious of any year with an 8 at the end: the foundation of the Republic in 1918, the Munich Agreement in 1938, the Communist coup in 1948 and the Russian invasion in 1968. The fortieth anniversary of 1968 has been marked on the BBC by five minute programmes of radio clips reproducing the day-by-day atmosphere of those “revolutionary times”. I was twenty in 1968. My time was spent struggling against the Marxist domination of my university and most of those across Europe. When not struggling with the far Left, I was inspired by pan-European dreams of what we would later come to know as a “Europe – Whole and Free”. The Warsaw

Pact invasion of Czechoslovakia was a life changing experience. It destroyed the credibility of the New Left as well as the old. It underlined the stark reality of a continent divided by Russian aggression. When you are twenty everything is seen in vivid colours. I remember taking the Luscher Colour Test in 1969 and discovering that my favourite colours were black and red, indicative of a love of drama, clarity and division. However no sooner had the book revealed this aspect of my personality, than it also revealed that this was the logic of Hitler's choice of colours for his reversal of the Swastika. But then these were revolutionary times. To be young was indeed very heaven. Rhetoric without bounds, travel without limit and sex without AIDS. We held views about Us and Them, good and evil, capitalism and communism. It was all very open and shut, very black and white. All the world was dualist, simple and predictable. We thought we understood about black swans and white swans. Nowadays the survivors of 1968 are not so sure. Our hair, our suits and our beliefs have all gone grey.

The book which is most relevant for current global crises is "The Black Swan: The Impact of the Highly Improbable" by Nassim Taleb. He defines a whole category of events which he calls 'black swans'. These are important events which change human behaviour massively, which were not anticipated, but which can be eloquently explained after the event. The internet is a black swan, just as are CNN or 9/11. Taleb points to the weakness of the Bell Curve as a predictor of human behaviour. It is events at the extremes which bring about real change, but which in most scientific and political analysis are dismissed as too unlikely to be relevant. It is the philosophy of the Bell Curve that leads to 'group think' and the perpetuation of obviously doomed behaviour. The crisis gripping the financial world today was easily predictable as the consequence of lax regulation and of greed within a flawed structure of reward. As with all bubbles it is amazing that so many people could believe in the sustainability of the unsustainable. Sir John Templeton, who died in August, practised the lessons of the Black Swan thirty years before its publication. He presented Templeton College, Oxford with a handsome sum of money while I was Associate Dean there in the mid-eighties. He spoke like a slowed down version of the Reader's Digest, but he understood one major source of wisdom. He refused to be swept away by the momentum of the herd. He took the decisions which made him one of the world's most successful global investors at his house in the Bahamas, rather than amidst the excitements of Wall Street. Issues for him had time dimensions. He famously bought nuclear shares in the days after Three Mile Island. They were not black and white; they were exquisitely wrought grey insights. History is a good corrective for the traps in the Bell Curve. Alexander Hoare, who is the current Managing Partner of C Hoare & Co the bank founded in 1672, tells the story of how his father educated him about banking by showing him the internal records of the Bank during the South Sea Bubble of 1720! The global crises of autumn 2008 form a classic Black Swan. They will change all our lives. They were not anticipated, but there is now a whole industry eloquently explaining them *ex post facto*.

The idea of Europe has undergone its own seismic shifts in the last forty years. In 1968 the European Economic Community was an unchallenged success, but it was still five years away from admitting its first new members. Nobody thought to continually pick it up by its roots and vote on it. Since 1999 the European Union has been pursuing a black and white idea in a grey world. After the shambles of the Santer resignation, the institutions of the Union, led by the Commission, set out on a crusade for transparency and communication. They believed that if only they could explain the European Union to the electorates of Europe, all would be well. They tried campaigns in primary schools. They tried communications packages. They tried new treaties. Then they tried new ways of having new treaties involving ever more people. Eventually a Constitution emerged from a Convention. The French and Dutch electorates said No, albeit for reasons unrelated to the text. So the governments tried again with the Treaty of Lisbon and this time the Irish said No. I increasingly come to believe that we need to recognise that the electorates of Europe are not that interested in what their political classes do in the corridors of Brussels. We should abandon the attempt to change the Treaties, with all the accompanying opportunities for Eurosceptic excitement. We should instead do as much as possible without treaty change, using Inter-Institutional Agreements wherever possible. Cherry picking is the wrong word for this process. The situation is as follows. The mandate for change delivered by twenty seven governments and the European Parliament is deemed insufficient. It has proved impossible to communicate the complexity of the European Union to electorates. The whole process has become a blood sport for populists. Europe's political classes should stop this demeaning dance and decide what needs to be done in the interests of a small continent in a troubled world. Within these constraints,

nothing very radical will be achieved, but at least political energies will be directed towards real policies rather than political theatre.

My pessimism on this subject stems from the fact that I don't believe that the Irish electorate can be expected to vote again on the text of the Treaty of Lisbon. The only clue they gave us for rejection in June was the loss of the future certainty of an Irish Commissioner when the size of the Commission was reduced from twenty seven to twenty in 2014. The question of the month amongst Euro-nerds is speculation that, in the absence of the Treaty of Lisbon, the Treaty of Nice would apply with its automatic reduction of the number of Commissioners to twenty in 2009! Great! So what's to change? Historians will decide why the Irish Referendum on Lisbon was lost. At the moment the favoured explanation is the extraordinary smug short sightedness of the Irish political elite. I prefer a greyer explanation involving the amount of US Neo-Conservative money backing the "Libertas" campaign. For those seeking details much can be found in the Irish press. Much more will be discovered as the accounts of the referendum are explored by MEPs trying to track down the truth about the missing 1.3 million euros. It would not be elegant for an Englishman to speculate on the feeling of an Irish electorate, were it to discover that it had been subverted by dirty American money. It would not be the first time that certain Americans have decided that a weakened Europe was in America's interest. Russia's adventures in Georgia should be enough to warn us against such competitive short sightedness across the Atlantic. Indeed there is some evidence of Neo-Conservative meddling at both the Eastern and Western extremities of Europe. I gather that President Sarkozy made it clear on his visit to Tbilisi that he had come to see the President of Georgia, not a bevy of Neo-Conservative advisors, fresh in from life as staffers in Washington.

One of the saddest losses of the summer was the death, in a car crash, of Bronislaw Geremek, MEP and former Foreign Minister of Poland. Of all the great and the good who appeared before the European Parliament's Foreign Affairs Committee under my chairmanship in the late 90s, he was the only one who received a standing ovation. In twenty minutes Geremek re-educated the Committee. He communicated a Polish world view as only a medieval historian could. In retrospect it's a tragedy that a man of such courage and intellect was denied the Presidency of the European Parliament. Much ink is being spilled about the Russian attack on Georgia, not least because it came almost on the anniversary of the invasion of Czechoslovakia. I hold probably heretical views on this subject. It seems to me that both Europe and America have drawn the wrong conclusions from the success of EU Enlargement to date. Blinded by the belief that Turkey would join the European Union, the powers that be have assumed that the Black Sea can be turned into a European lake as a way of "containing" Russia. The likelihood of Turkish membership is now so infinitely remote as to be unwise as the basis for any policy, let alone something as significant as our relationship with Russia. Why have we chosen to endow the borders inherited from the internal administration of the Soviet Union with all the sanctity of ancient nation states? This is nonsense. The Crimea was never historically part of the Ukraine. As Geremek knew, Eastern Ukraine itself never experienced the medieval links to Poland-Lithuania that would make the Western Ukraine a coherent part of the European Union. It would have been wrong to deny Kosovo independence because of the internal boundary design of a defunct Yugoslavia. I see no reason why we should worry too much about the 'loss' of South Ossetia or Abkhazia. We need a major 'realist' re-think of European interests in the Black Sea. The starting point for such a review should be that the political and economic coherence of the Union must not be sacrificed on the altar of simplistic geo-politics. We have an interest in helping the Georgians and Armenians strengthen their links with Europe. We have an interest in reducing Russia's ability to exert energy blackmail towards Europe. We do not help either ourselves or the Georgians by making rhetorical promises which we are unable to keep. A Western Ukraine would fit easily inside the European Union, with its own language and powerful national memories. It would make a much greater contribution to European security than attempting to dragoon all of the Ukraine into both NATO and the EU. Europeans should remember that we have been here before. If one visits Novorossiysk they point to the spot where the White Russian Black Sea Fleet was scuttled at the end of the Russian Civil War.

The American Presidential campaign has been compulsive watching for Europeans for the last twelve months. The prospect of an Obama Presidency is intensely exciting for Europeans. Not only would it mark a complete break with the current Administration, more importantly it would allow Europeans to feel comfortable about liking America once again. The spectacle of a bi-racial candidate ascending to

the highest office in what is still the world's most powerful nation is irresistible soap opera. The fact that he embodies everything that Europe would like to think about itself in terms of intellect, sophistication and balance is icing on the cake.

I do not know whether Obama or McCain will win in November. The only thing which could stop Obama is a question of black and white. In all the fuss over an exceptional man, I believe that more attention should have been paid to the difficulties of being a black American voter rather than a black American candidate. The traditional efforts to restrict Afro-American registration are taking new forms. "Strong forces are at work to downsize the electorate, ostensibly to combat fraud and strip the rolls of voters who are ineligible for one reason or another. But the real effect is to make it harder for many black Americans to vote, largely because they are more vulnerable to challenges than other parts of the population". (Andrew Hacker "Obama: the Price of being Black", New York Review of Books, 25th September 2008). For example, recent moves in some States require photo ID before voter registration is permitted. For most Americans this means driving licences. Driving licences are least commonly held by black Americans in inner city areas. It remains amazing to European eyes that seventeen States deny voting rights to those who have completed their prison sentences. In many States the voting list is kept up to date by computer programmes, searching for ineligible voters. In Florida for example, it only requires that 80% of the letters in your name match with the name of someone with a criminal record. Black men and women are six times more likely to be in prison than whites, so it is not surprising that these methods result in the further reduction of Afro-American participation.

It is common currency that Obama will face the problem of the so called 'Bradley gap'. This maintains that 7% of the white population, who say they will vote for black candidates, decline to do so in the privacy of the voting booth. Several States are holding ballots to ban affirmative action thus putting the issue of white resentment into voters' minds. Obama needs to court as many white voters as possible if he is to counter these in-built disadvantages.

My instinct is that Obama will win by a small majority, with the breakthrough coming in the Mountain States. For a time it looked as though the choice of Sarah Palin as Vice Presidential candidate was going to usher in a re-run of the 'culture wars'. A wise American of my acquaintance maintains that Obama/Biden will win because McCain/Palin will make more mistakes. I believe that elections in hard times are determined by more fundamental issues. "It's the Economy, Stupid" is given massively extra force by the rolling collapse in American financial institutions. It would seem that this year's "October surprise" has come early, with the financial melt-down coming to dominate the closing weeks of the election. This takes us back to the tension between wise government and populism which is underlined during global crises of all kinds. The populist treatment of Trade is not in America's economic interest. The reluctance to pay higher petrol prices inhibits sensible American policy on climate change. The interpretation of the rise in the price of oil as an energy security issue has given the coal lobbies a major opportunity, while leaving solar power without government subsidy. The voting figures on the rejection of the Paulson Deal tell the story of politicians of both parties bowing to public prejudice. The truth is that such populism has a real price in governmental credibility. A Vice President who believed in Creationism may be seen by some Americans as a charming assertion of America's right to idiosyncrasy. To the rest of the world it looks like a political system that is losing its grip. In such times both lobbyists and politicians need to consider the impact of all their actions. Everything is connected to everything else. The unexpected does happen. Radical shifts do occur. Paradoxically Obama and his call for change could be a more certain way of preserving the essentials of America's reputation and the current economic and political system than the global spasm likely to be engendered by Republican market fundamentalism. Of course I could be wrong, in which case please don't wear your tee shirt with the slogan 'I think you'll find it's a bit more complicated than that'.

