

## THE DEVELOPMENT OF PUBLIC AFFAIRS IN EUROPE: ALITALIA OR CHARLEMAGNE?

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Dear Colleagues

Welcome to the Villa La Collina, from which Konrad Adenauer would govern Germany during his summer break. I trust that you will find it, as he did, an excellent place to relax and think. I have fond memories of Cadenabbia over many years as a Conservative student leader, a young MEP and eventually as the site of the ‘cabinet-level’ meetings of the CDU and the Conservative Party in the 1990s.

You have asked me to speak tonight on “The Development of Public Affairs in Europe – Opportunities and Risks”. In the tradition of Cadenabbia and the Konrad Adenauer Stiftung I have a dislike of pre-prepared speeches. As it happens I have this weekend been offered two examples that will serve as a starting point for our discussions on European public affairs. The negative one is Alitalia in the twenty-first century. The positive one is the Emperor Charlemagne in the ninth century.

Alitalia flew me from London to Milan this afternoon. They were expensive, late, state run, uncaring and out of date. Their service was clearly designed for the convenience of the producer rather than the consumer. The organisation felt national in spirit and limited in ambition. I am sure that we can all think of examples of public affairs practice at national level which unconsciously mirrors the Alitalia disease. Everyone can suffer from the temptation to resist change, stay in their national comfort zone and deliver only limited service.

Success in public affairs today is about understanding the national model in which you operate, while being open to other models at European and global level. I strongly recommend the work of Frank-Jurgen Richter, who used to run Asia for Davos and who is now a stimulating writer, thinker and consultant. His book “Development Models, Globalisation and Economies: A Search for the Holy Grail?” should be required reading for all public affairs practitioners, whatever their nationality. He argues that we now live in a system of ‘multiple capitalisms’ rather than a globalised world dominated by the Anglo-American model. One needs therefore to be sensitive to Rhineland capitalism, Chinese capitalism and the rest. He and I have gone on to argue that patterns of public affairs elegantly match onto this basic geo-political geography. I am open to your comments as to whether Germany, Austria and Switzerland are all part of a single such geo-political area, above and beyond the shared heritage of the German language.

In a recent ECPA book “Everything Flows: Essays on Public Affairs and Change”, I have argued the central importance for public affairs practitioners of both empathy and an openness to change. Successful public affairs must now be professional, international and reinforced by constant re-training and enhancement. The days of the “renaissance prince” who could bluff his way in different political systems is now over. The public affairs function finds itself facing competition from lawyers, experts on corporate social responsibility and corporate communications, not to mention the traditional argument between the public relations community and public affairs specialists. Success goes to those who can combine local, national, European and global expertise with a suitably modest ambition to succeed at all levels.

My positive model is drawn from one of the hinge moments in European history. My youngest daughter is currently finishing her history degree and has chosen Charlemagne as her special subject. This entirely meets with my approval as I have long believed that historians make better politicians than do lawyers or economists, especially in the complex and splendid jigsaw of Europe’s identity.

I am aware of the cultural dangers of talking to German speakers in the modern world about Charlemagne’s habit of converting the Saxons at sword point. Especially as he did so under the inspiration of English missionaries and scholars such as Alcuin. Charlemagne however faced

challenges familiar to Europeans of this century. He may have aspired to classical models, but he had to live with brutal realities. He needed to keep his nobleman warriors happy with a steady flow of plunder if he was not to suffer what we would now refer to as an 'outbreak of economic protectionism'. His rapidly consolidated empire required him to invent new systems of administration and control at imperial level. The need for 'enforcement and compliance' kept him constantly on the decaying Roman roads that linked much of his territory. He had to struggle with the relationship between the individual, the state and religion. His inspiration was undoubtedly Christian, but its application was pragmatic. He had militant Islam at his gates and was faced by rising powers in Asia. He did not have to contend with an America flirting with imperial grandeur, but he did have to deal with the decaying super power and politics of Byzantium.

Let me try to illustrate some of these themes by briefly taking one example from each of your countries. I make no claim to national expertise on these issues, but I think I can reflect accurately how some practices in the German- speaking world are perceived in Brussels by other Europeans.

I intend for these purposes to treat Switzerland as a part of the European Union. Swiss practitioners instinctively know how to understand and exploit Federalism. This gift of empathy for multi-level public affairs is crucial for practitioners, especially in a political construct such as the European Union whose constitution is constantly evolving. The EU today has no permanent majorities. No national majorities, no linguistic majorities and, we see at this moment no fixed ideological majorities. It is now too big and complex to be dominated by any one country, though policy makers in the UK, France and Germany have not really learned this lesson.

Austria should be perfectly placed for success in the politics and public affairs of the European Union. It has a strong diplomatic tradition. It is big enough to be taken seriously, while small enough to lack enemies. It has a tradition of searching for consensus and understands the need to establish governing majorities. Occasionally however even the Austrians can be blind-sided by their national traditions. Austrian politicians are rightly proud of the roles which they play in their Chambers of Commerce. They understand how to manoeuvre in such institutions. The European Union retains similar echoes of the corporatist tradition, but probably only the Belgians understand these Austrian realities. In the original Six it was reasonable to assume that every politician had a broad understanding of all the national traditions of the Member States. This is simply not true in the Europe of twenty-five.

This is not the place for me to rehearse the changes in German public affairs practice of recent years. For Germany, as for every other nation in the Union, a high proportion of its national law now originates in Brussels. Its economy is inter-penetrated at both European and global level by outsiders. I recognise that something more than geography changed with the move from Bonn to Berlin. However I offer the observation that other Europeans still need to persuade their German colleagues that they are actually practising something called public affairs. This requires professional skills which go beyond those of the traditional stereotype that power in Germany was dispensed by 'old, white males in trade associations'.

Let me therefore offer the following abbreviated history of the way European trade associations have responded to the evolution of European integration. When the Common Market operated on unanimity, national trade associations were sufficient. Rapidly however the European Commission stimulated the creation of European trade associations as interlocuteurs. Once the European Communities had moved to a system of Qualified Majority Vote, and thus created a separate political system, there was an urgent need for effective European trade associations. These needed to lobby both the European Commission and an emerging European Parliament in the phase before the Council moved to Common Position. With the European Union's final move to Co-decision and Conciliation the logic of the situation changed again. If the European Parliament and the Council of Ministers are co-legislators, a system of 'trialogues' becomes central in the relationship between the three European Institutions. Nowadays Parliament and Council consider legislation simultaneously. Input is therefore required at the same time from both national and European trade associations. To take just one example, the reform of trade associations in the chemical industry, with the attempted creation of subject 'centres of excellence', heralds a new era in trade association history with major implications for German practice.

There are two threats to the successful practice of the public affairs function in our continent today. They might be summed up as Regulation and Reputation. The European Centre for Public Affairs was

inspired by the belief that good public affairs practice is essential for a healthy, democratic political system. This is doubly true in the case of the European Union when the operation of that political system is perceived to be distant from the electors. The defeat of the ill-named Constitutional Treaty lay not in its content, but in the opportunity that referenda offered for electors to repudiate political classes that had become arrogant and self-obsessed. The interaction of scandals over party financing in Europe and high profile events such as the prosecution of Mr Abramoff in Washington, threaten ill-advised regulation of the public affairs function as mooted by some advocates of Commissioner Kallas's European Transparency Initiative.

It is my belief that modern public affairs in Europe can be coherent, transparent, effective, competitive and lightly regulated. Public affairs practitioners will however have to devote more energy to the 'public affairs of public affairs' if they are to recreate a consensus about the proper function of Europe's political systems. The stakes are high, but if national practitioners can understand how to win the argument in Brussels, they will also have equipped themselves to win globally. I encourage you therefore to think Charlemagne and Adenauer – and consign the Alitalia mindset to dusty museums of previous practice.



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