



Following is the extraordinary verbatim keynote speech delivered by **Count Herman Van Rompuy**, President Emeritus of the European Council and former Prime Minister of Belgium, at the EL Congress in Bern, Switzerland on 15 September 2025.



## TURNING FEAR AND ANXIETY INTO HOPE AND POSITIVE ACTION

**W**e live in times where, despite high and still growing prosperity and surprisingly low unemployment in most countries, there are many concerns and questions, even despair, in the non-material sphere, especially among young people.

The question is why? Some answers are obvious.

Since the collapse of Lehman Brothers in 2008, crises have followed in rapid succession. For Europeans, this was followed by the crisis in the eurozone between 2010 and the end of 2012, accompanied by an economic recession; the European refugee crisis in 2015-2016; climate disasters caused by water and fire; terrorist attacks in numerous European cities in 2015 and 2016; the pandemic

that lasted almost three years; the war in Ukraine since 22 February 2022; and the resulting high inflation (up to 12%), and more recently, the trade war launched by the US in April of this year. All these developments created uncertainty and fear, which translated politically into an increase in extremism, the fragmentation of the party-political landscape and, as a result, the instability of national governments. The unrest and dissatisfaction of citizens drove some voters to political extremism, but at the same time many people demanded stability. Paradoxically, emotions have therefore become more important, but mostly negative emotions. However, life goes on relentlessly. Our economic competitors in the world and the climate do not care about our emotions. The challenge, then, is to turn fear into hope.

We must also take into account non-material reasons to explain the uncertainty felt by so many people. Society is changing rapidly. The world we live in today bears no resemblance to the 1950s, when I grew up, with strong social ties, strong philosophical and religious convictions, strong organisations and respected institutions and authority figures. I speak without nostalgia, because that serves no purpose. Today, individualization has turned into personal isolation. It has slowly grown out of the economic competition model, urbanization, social media, and political democracy. We are seeing the effects of this excessive individualization in the rise of diseases linked to the way in which we live our lives. Mental health is being affected by high rates of depression

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and burnout, by all kinds of addictions to alcohol, drugs and gaming, and by suicide. Young people suffer from this even more than older generations. Not only is this a tragedy for many of our children and grandchildren, but these phenomena also have an impact on the economy. A lack of mental health threatens to destroy much of our creativity, scientific and technical inventiveness, entrepreneurial spirit and innovation. After all, the best years for creativity are when you are under thirty years of age. We need these qualities now more than ever: due to the ageing population, the burden of social security and economic growth rests on the shoulders of an ever-shrinking proportion of the young population, of which a large number are struggling mentally. Economic growth will have to come mainly from an increase in productivity per hour and no longer from the employment of more people. But productivity requires creativity and a strong work ethic, and these suffer from a lack of mental health.

Europe is not the only continent struggling with this. Russia, China, Japan and others face the same demographic and mental health problems. Did you know that China's population will be halved by the end of the century? From a purely economic point of view, migration could offer a solution, but irregular migration in particular is met with strong social resistance in almost all countries, both in the East and in the West.

**We must therefore do everything we can to make people stronger and more resilient.** To achieve this, we need each other. Only people can help people. Together we are strong. Unity is strength. These are political slogans, but they are also true for a societal renaissance. This is not a matter for governments alone. Politics is in everything, but not everything is politics.

I would like to take this opportunity, speaking for an audience of representatives of **The European Lotteries (EL)**, to illustrate the role that lotteries play in strengthening precisely those interpersonal connections. Lotteries are not merely games of chance. From the first lottery in Bruges in 1441, it was not a purely commercial activity. The proceeds were used to achieve social and societal goals, to provide public goods where

public means fell short. The paradox is that governments set up lotteries to help where the government itself falls short. The support from lotteries can involve poverty reduction, cultural needs, sport, youth work, care for the disabled, etc. Someone recently told me that without lotteries, there would no longer be any Olympic Games, and probably no Special Olympics or Paralympics either. And to my earlier points, lotteries strengthen precisely those interpersonal connections so vital to the restoration of a healthy social fabric.

**In Europe alone, revenues generated by lotteries amount to more than €22 billion annually. The Council of the European Union (EU) unanimously recognised the important social role of lotteries back in 2010. The case law of the Court of Justice also shows how lotteries are not only part of our cultural heritage but also an integral part of the European social fabric.**

In general, it is concern for the public interest that sets the limits on the free-market economic competition model. Restrictions on gambling activities have been recognised by European case law since 1994.

In the case of lotteries, and in addition to the motives of public order and consumer protection, preventing addiction and combating fraud and money laundering, it is also about the social approach to gambling and the social purpose of the funds. These specific aspects are not yet properly recognised as constitutive for the further development of a Union that is more than just an economic area. After all, it is ultimately about people's well-being and happiness, which sounds old-fashioned in a world of cut-throat competition. The government must also protect people and, in this case, combat illegal gambling. The law of the jungle should not be the only law. As in everything, there should of course be no over-protection of people that undermines their personal responsibility, but that is not usually the case today.

**National lotteries must be empowered to continue to play their social role.** In my country, advertising spots have been appearing in the media for some time now, clearly showing the social needs that lottery funds help

to solve. This positive impact, and the positive role model represented by lottery, is a breath of fresh air in the often brutal and noisy world we live in. The many players who participate in lottery games with small amounts who do not usually win, still know that they provide opportunities and perhaps also happiness for so many others. **Maintaining this sustainable contribution of lotteries to society requires that the protection of players and the fight against crime be included in the European approach to regulation.** The direct and indirect financing of good and important social causes also deserves recognition in the European discussions on future constitutional structures.

After all, **Europe is more than just an economic area. We need humanity and those societal values more than ever.** In the EU, which endured two world wars in the last century, there have been eighty years of peace, mainly thanks to the Union of twenty-seven countries, which will soon have even more members. The feeling of powerlessness among many people in the face of violence and conflict has only reinforced the feeling that the EU is needed more than ever, because nation states are no longer able to provide the necessary protection. The Eurobarometer indicates that confidence in the EU is now at its highest level in almost twenty years. There is talk of Euroscepticism, but underneath there is a recognition of the 'Europe of necessity'. Amidst this emotionality, people still know where their interests and their future lie. That, too, is a sign of hope. European citizens do not want to choose between 'place' and 'space'. They cherish their home, their homeland, their place; but know that they need the 'space' of Europe.

However, that **trust in the EU must continue to be earned.** The Union can only be strong and achieve results for its citizens if we are united. That unity is greater than many people think. Just a few examples: our joint European response in the form of vaccines, a huge economic recovery fund of 800 billion euros. Our joint response to Ukraine's request for all kinds of support is impressive. Sanctions against Russia require unanimity, and yet we are working on the 19th package of sanctions.

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### **We also need to change course when it comes to industrial policy.**

One year after publishing his report on competitiveness, Mario Draghi concluded that progress has been too limited. We know what we need to do. So why aren't we doing it? We will not quickly close the gap with the US and China, especially in the digital sector and, above all, in artificial intelligence. We need genuine Europe-wide projects financed by European funds. The €800 billion European Recovery Fund of 2020 was indeed financed by money raised by the Commission on the European capital market, but those funds were made available to Member States for their own national projects, albeit focused on the European ecological and digital transition. Going about it in this fragmented way will not achieve the necessary economies of scale. In today's globalized world, size and scale are essential. The absence of a European capital markets union is also a handicap for start-ups and large companies. We must learn to act and think European, not just on our own turf. That is no longer enough. In terms of defence, hopefully a number of countries will collaborate on a fighter jet, but not all obstacles have been overcome yet. In general, the situation regarding military equipment is dire. EU countries have more than fifteen types of tanks and aircraft, while the Americans and Chinese sometimes have only one. If we spend more money on defence, we should do so in the most efficient way possible. We should spend more but also spend better. Incidentally, if we spend 3.5% of GDP on defence – as much as the US – instead of the current figure of almost 2%, we are still not in a 'war economy' at all. Public spending on social protection is ten times higher than defence spending today.

The EU of the 1960s also lagged behind the US, but in the decades that followed, we caught up. An important means of achieving this was the creation of the single market. This now needs to be developed further as a matter of urgency, because the single market is not yet single enough. There are also opportunities. Trump's US is now cutting back on public funding for scientific research, which in the past was the basis for

innovation and increased productivity. This is yet another example of Trumpian 'shooting oneself in the foot', as is also the case with the tariff war and the abandonment of federal policy on renewable energy and climate. Now is the time for Europe to shift into high gear. In economics, there are no acquired rights. Everything is in flux. No one is condemned to stagnation, and no one is permanently superior.

At the global level, there is a general lack of trust or even a breach of trust among the three global actors. The primary reason for this loss of mutual trust is the war in Ukraine. The Europeans have broken with Russia, but China has not. The normalisation of our relationship with China depends in part on the outcome of the war. A so-called defeat for Ukraine will undoubtedly encourage Russia to wage new wars in the Baltic states and elsewhere. History, including post-war history, proves that Russia is not to be trusted. The current war is existential for the Union.

The second factor contributing to global mistrust is, of course, the erratic foreign policy of the US, where unilateralism is now even stronger than it was during Trump's first term and during the eight years under President Bush Jr. In any case, the 'America first' approach is not likely to disappear any time soon, even under a possible Democratic president. We will have to learn to live with that. When asked whether the political and economic unilateralism of the US can be sustainable, the answer is obviously no. One should never overestimate one's power. Humiliating countries will eventually backfire. Consider what is happening today with India, which is now seeking rapprochement with China after being threatened and punished by American customs tariffs. Ultimately, you pay a price for the lack of friends and allies, starting with an economic price. 'Splendid isolation' does not exist. It is never splendid in the long term. The UK knew that at the time. Ultimately, you end up excluded from everything.

This lack of mutual trust also prevents global actors from working together to mitigate the dangers of AI. And those dangers are real. This new technology is

even more transformative than the digital technology we know today. What is true and what is not, what is real and what is manipulated, can disappear. This can potentially change our civilisation. AI can also be used for criminal and military purposes. The EU regulates through the AI Act, which is unique, but innovation and companies are located elsewhere as well, in China and the US, outside of the regulatory purview of the EU.

## **WHAT SHOULD EUROPEAN COUNTRIES DO IN THIS NEW WORLD, AND WHAT SHOULD THEY NOT DO?**

Leadership is needed in Europe. Traditionally, this has been the Franco-German engine and initiatives from the European Commission, preferably even together, as was the case during the presidency of Jacques Delors in the 1980s and 1990s. We do not need wild leadership like in the US, but leadership with vision and focused on the general European interest. A number of larger European countries are struggling with internal political problems, even with minority governments. Europe cannot be strong if those Member States are weak. No progress is possible without strong leadership.

We must go our own way. **We have a unique way of life in which freedom and equal opportunities are central values.** The time when we wanted to impose this model on others is over. Now, other continents believe that obedience is the greatest virtue. Colonialism has changed sides. Russia wants to conquer and colonise new territory and America has set its sights on Greenland and Panama. Europe no longer wants to dominate world politics. Why should we, anyway? Two world wars have made us choose a different model. Here in Europe, the love of values has not disappeared. We are by no means perfect, but when I compare us to many others, we are moving in the right direction! We are not

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a model of tolerance, but here there is no encouragement of racism by governments and, of course, no tolerance of genocide. The only question for us is: what is needed to safeguard our interests and our values on our territory? It's as simple as that.

Of course, we know that **the balance of power in the world has shifted**. That is not dramatic at all. We are not jealous or obsessed with the fear of no longer being the greatest. We gave up that fantasy in the 1950s. Precisely because of globalization, the ratio of advanced to emerging economies in global GDP reversed in a single generation: from 60-40% to 40-60%. Nevertheless, prosperity continued to grow in Western countries, but elsewhere it grew faster. To a certain extent, this is normal, because mature economies simply grow more slowly than middle-income countries.

The power of other global actors should not be overestimated.

It is in our interest that there be no wars, certainly not on our continent. That is why we support Ukraine, which is fighting a defensive war. At the same time, they are fighting for our own freedom, because if they fail, the door will be open to new wars.

This mistrust weighs heavily on the global economy because trade tends to take place more between like-minded countries, between 'blocs' with a shared interest, at least that has been the trend in recent years. However, that too is changing. After all, what does like-mindedness still mean? With its trade war, is the US really still a like-minded country for us? But even the Shanghai Cooperation Organisation, which recently met under China's leadership, and even the BRICS countries, have divergent interests and political systems. The only thing that binds them is anti-Americanism. So here too, we must beware of generalizations and definitive judgements. In any case, fortunately, this does not mean that there is no longer any trade between the so-called 'blocs'. On the contrary, there will still be positive growth in 2025, for example, in EU trade with China and with the US. The figures for the most recent months prove this. Nothing is what it seems!

It is in Europe's interest to support

international rules on trade and climate, among other things, commonly referred to as the multilateral order. However, we cannot be the only ones who still believe in it. Others pay lip service to these rules; still others blatantly ignore them. Belief in free competition is no longer 'sexy'. **We live in a time when political decisions determine economic developments.**

Evidence of this can be seen in Brexit, the tariff war, and Russia's ability to turn the gas tap on and off depending on the customer. The return of the primacy of politics means the return of nationalism. In the US, the government is now considering acquiring stakes in large private companies with taxpayers' money! Economic policy in many countries is now political economy. In Europe, people sometimes complain about excessive regulation, but that is nothing compared to what is happening elsewhere. Government intervention in our country is mainly in the public interest (although opinions may differ as to what this actually means), but elsewhere it is brutally about making one's own country great and making others small. In order to make other countries obey, one's own citizens and companies must also obey. Yes, there is a big difference in how Europeans view their lives and society. The EU was founded to prevent the return of nostalgic and imperialist nationalism. The return of nationalism in the world means the return of tragedy.

Despite this political economy, we must continue to keep a close eye on the budget. Budgets around the world are spiraling out of control and laying the foundations for a possible future financial crisis. In the US, the annual deficit has been 6 to 7% of GDP for some time now – half that of the eurozone – and public debt is around 123% (compared to 88% in the eurozone), with the prospect of much more within a few decades. Russia has a war economy that is fuelled by money creation, especially now that energy revenues are declining sharply and will continue to decline structurally due to the development of renewable energy. China has a large hidden debt with its local public authorities.

I also mentioned the international climate crisis. If we fail to achieve the targets set out in the 2015 Paris Agreement by

2050, we will all go down together. Today, Europe is responsible for only 7% of greenhouse gas emissions. If the other major polluters do not do enough, we will all pay the highest price, but especially our future generations, our future European citizens. If there is one area where we need to work together internationally, it is this. The US has once again withdrawn from the Agreement. China and the EU recently adopted a common statement on this issue. But here too, the time for good intentions is over. We need much better results than we have already achieved, as a global community and as the EU. Since 1990, the EU has seen a 37% reduction in greenhouse gas emissions in 2023, despite a doubling of real GDP! That vital metric represents a decoupling of pollution and economic growth. In 2023, renewable energy in the Union accounted for one fifth of final energy consumption and half of our electricity consumption was carbon-free.

Especially climate and possibly artificial intelligence determine our long-term future. It is much more than a paradigm shift. It is an epochal shift. These shifts influence decades and centuries respectively. I can see positive as well as dangerous developments in AI. With climate change, there are no positives if we do nothing.

In this new brutal and dangerous world, we must be strategically sovereign. That is why we must restore our economic and technological competitiveness, pursue a strong climate policy and invest more and better in defence. Three clear calls to action, three key words. We know what needs to be done. It is now a matter of implementation and the political will to do so.

I also reiterate that **we must invest in the quality of our society and of our people. The European Lotteries have long been convinced of this. In times of crisis, the role of lotteries in supporting our society deserves, more than ever, special recognition in the Union.** We need more social, family and human capital. We have to have our fate in our own hands, even in a world where we often have to watch powerlessly as tragedies unfold. But powerless does not mean hopeless. On the contrary. **Hope is a verb—something we practice, build, and share.**

Let us do so together. ■