Sven Biscop □
Sarah Khabirpour /
Geert Lovink *

□ Let's talk about power. Power has many dimensions. So we're three very different people, three very different backgrounds around a table. So let's start with a brief introduction. My name is Sven Biscop. I'm Belgian. I'm also Belgium-based, in Brussels.

I wear two hats. I'm a professor at the University of Ghent, and I'm a director of research at a think tank, the Royal Institute for International Relations Egmont in Brussels. And I deal with two big topics. Defense, so really the most classic dimension of power if you want. And then I deal with relations between the great powers. How to position Europe, the European Union, in the power games between China, Russia, and the United States. And then of course, that game has a military dimension, but also an economic dimension, and a political dimension.

/ Thank you. My name is Sarah Khabirpour. I am a lawyer by training. I started my professional career as a lawyer and then continued to build my expertise in the public sector for some years in different ministries. I moved back into the private sector where I consolidated this expertise by working in banks, more in the regulatory environment of finance. And today I'm an independent director. I sit on different boards of different banks, and I also advise banks.

* My name is Geert Lovink, I'm a media theorist, an internet critic, and activist. And I run a small research unit in a polytech, the Hogeschool van Amsterdam, where I'm leading the Institute of Network Cultures. I'm doing that since 2004 and have a background in the squatter movement, in media arts and internet activism.

As we are in a museum, I feel at home because I'm very closely tied to the concerns of artists. We spent a lot of time working with artists in my center and are increasingly concerned about their diminishing income position.

□ All right, now, maybe to kick us off, I was thinking that many people, in my view, they hear power and they immediately attach negative connotations to it. Maybe especially our audience. Who knows? People interested in the arts.

I have a more optimist, positive view of it. And I think our problem as Europeans is rather that we have stopped to think about power, and we have forgotten a bit what power is and how to use it. Because we always think someone who is powerful, they begin to beat up their neighbors. A powerful country, then the first project isn't always, "Let's invade our neighbors. Let's annex a province."

But my view is rather that you need power also, if you want to implement positive objectives. I always like to quote the notion of Realpolitik, another notion, everybody in here probably thinks of as "the end justifies the means", but the original meaning of the concept was very different.

The idea was to say, "Look, we have beautiful values, but dreaming about them, just dreaming about them, serves no purpose. You need power. And if you have power, then you can bring them into practice. If not, there will always be an illusion."

So for me, this is the challenge that I see for us Europeans: to understand that we need power in all dimensions, classic military power also, just in case. Certainly economic power, that includes technology. Certainly also political influence.

And we need that power first of all, to safeguard our own way of life. It's maybe a very American term. Let's say the type of society that we have chosen to build, we need to preserve it and improve it. That requires power.

And we need power even to pursue a constructive project for the world. Because you cannot say from a position of weakness to a big power like China, "I'm going to work with you." Because then the risk is very high that they exploit you. So even if you want to engage other powers in the world, you need to be a power yourself.

That's sort of my starting point in all of those dimensions, but perhaps my two co-conspirators here in the basement have already widely different opinions on that.

*   Let's talk about the historic trauma of power. Because in Europe, when we are talking about power, many of the post-war generation, there is a trauma. The European Union was founded in this trauma of two world wars and a long period of colonial exploitation that came to an end.

I come from a generation that clearly put it as its task to dismantle power as such, to question power, both imperial and in terms of class, gender and race, to locate these powers, in bodies, in language, in systems, in architecture, to see precisely where it is located and how it plays out, how it's for instance, functioning between people, in relationships and to fight the power.

Michel Foucault 's writings on power as both a productive and repressive force is very multi-layered and something that I grew up with or let's say grew into and this whole idea of the European power of course is something that very many, many people wanted to question because the relation between Europe and power has been pretty disastrous in, especially 18th, 19th and 20th century or coming from the Netherlands, the 17th century.

My generation put it to task too with the Foucault dilemma: ending power, knowing that one will always produce new power relations. If you read Foucault, you will see that power will always be generated and there are always new and different micro power relations. In this sense it's good to remind ourselves that is it a naive idea to think that you can do away with power.

But what we can do, especially as Europeans, is to analyze it, to point at it in public. Maybe this all ends up in navel gazing and this puts us in the situation that you just mentioned, but this is probably what's up for debate this afternoon here in the Mudam cellar.

/   Yes, this is all quite fascinating.   **2**

I've been thinking about how this concept of power would relate to the financial world. And if I look at what happened in Europe, especially since 2009, one can look at power from different points of view.

Power is a force. As a force in society and in this particular context, it is related to the deregulation of finance. In a certain sense, this deregulation turned into an abuse of power. And this abuse of power evolved into powerlessness.

So I think it's interesting to look at this financial crisis in terms of a dialectic of the different dimensions of power. And then to think of how this dialectic then relates to the different protagonists in society. Who are the protagonists? There are the individuals, the institutions, and then the community or the collective.

How does this dialectic of power affect these three protagonists in society? And if you now take, for instance, a definition that you were alluding to in your presentation at first, when you say people associate something negative with power, then you would think of people being in positions of power, just deciding things, just doing things, are they legitimate or not? Does it make sense or not?

It's interesting then to think of what we have today in terms of a framework that was put in place, whether it was the consequence of power or of powerlessness.

The only thing that I really draw from this experience is that in order for power to be meaningful and to actually lead to a constructive result, it needs to be framed. It needs to be channeled and it needs to have a value system that it obeys because it's when it leaves that moral framework, that power then becomes actually a negative source in society rather than a positive source in society.

So maybe at a more conceptual level, this is probably true for all the forces in society, not just in the financial sector, but it is something that looking at what happened since 2009, I could clearly see in different moments of this crisis as it was unfolding.

☐   It's very interesting what you say. I mean, I would say you need a project and power is then the tool to achieve that project. And that project can be very positive. Your project can be to build a welfare state for example, but that requires power also, right? But of course, others can have a negative project as well. Clearly some states have old fashioned type project or what we regard as old fashioned of creating spheres of influence and dominating other countries.

I think is the reason why many in Europe immediately look at power as something so negative is because we have of course made an honest attempt, as you said here, to overcome war among ourselves and to make sure that within our community, the European Union, we do not use power directly against each other anymore.

And we've created what, in an academic term, we call a security community. Any dispute, any difference is settled through legal means and by peaceful means.

And we have tried to make it unimaginable that you would use force against another. And also practically impossible because we have a single market with for most of us one currency, so it is difficult to attack another country if they're dependent on the same European central bank somehow.

But I think what we often forget is that the rest of the world is not like that. And for a long time, we thought just it's sufficient that we, the EU, we are what we are and the others, they are also rational people. They will look at this and they will say, "Oh, yes, this is a way ahead. We'll move in the same direction."

But they haven't of course, because their circumstances are different. And so sadly in the world around us, yeah, there are still players who use power also very aggressively. And so I think we have to balance the two. Our own model, but that you cannot just transplant to another place of the world. So we must also have in a way, the power at least to defend ourselves to deal with that... yeah, with that other part of the world–

✱   Sarah, would you like to say something about your personal encounters because of us three, you probably came closest to traditional political power as you worked in a ministry.

/   Yes. I did work in the ministry of finance from 2009 in fact until 2014.

☐   Here in Luxembourg?

/   Yes. Here in Luxembourg. So it was really the beginning of the financial crisis. And I had the opportunity to work closely also with the Minister of Finance then. It was very interesting to see how when you are put in a position of challenges, of a crisis, how power then becomes actually something that is very connected with responsibility. Because you need to really take in charge a process that is affecting society at large, that is actually questioning the functioning of society.

I mean, when we think back about the bank runs, how this whole question of whether we let banks that are of systemic nature fail or not, how this question affected the morale in society as a whole. There was a huge responsibility that policy makers had to take on at that point.

And all this happened in moments where panic was omnipresent. It is not a moment where you can actually say, "Well, we'll take time and profoundly think about this matter and decide." The financial markets were exerting huge pressure and influencing public opinion.

So how do you then use that power in a context that is not ideal to make the best decisions for that time? So it was interesting to see how then policy makers deal with that because then power, as I said, is responsibility, it's pressure, often it's also fear. But then you have some that deal with it in a more humble way than others.

Some become personally attached to it, others don't. So that personal dimension then also comes into play and affects the quality of that decision making process.

And for having been part of many meetings where policy makers would meet, it was very interesting to see that once discussions took place in a certain context environment with certain attitudes or decisions that came out were obviously impacted by that mindset. I mean, you remember how Greece was affected, how the Spanish financial sector suffered, the same went for Ireland and Portugal.

So all of these were very personal, very emotional discussions where policy makers had to have the discipline not to let their bias affect negatively the use of power that they were elected to exert in at that moment. And everyone deals with it in an extremely different way.

☐   Although there was also a risk of the opposite at the time, I think it could have become a purely technocratic exercise. And I remember debates about how far can you go to force a state like Greece to cut back on its social welfare, for example, because I remember writing at that time a paper saying, "Yeah, there's no point in saving the Euro at the price of destroying the welfare state, because the Euro is not an objective in its own, right?" The welfare state is in my view. So if you have to destroy it in order to save it, that's like Vietnam. In order to save the village from communism, we bombed it into the earth. No, perhaps not.

So I found that at the time, very, very tricky. It linked back, Sarah, to what you said about the moral framework in my view or the project. They have to know very well, what is the actual objective here? And there's no point saving only the banking system if the price is that you destroy the buying power, there's the word power again, of every individual citizen.

It's also linked one more word to my geopolitical take because that's also the year 2007-2008 financial crisis to which you can date the breakthrough of China as a great power. Since then, indisputably China is again a great power. Sorry.

/   Just to build on what you said. This question of power also had another dimension that I found very interesting to observe. It is said that money is power and I could literally see how a country that was losing money or financial stability was losing power, and its voice, in real time.

In the context of the crisis in the European Union, this meant that at just point we were talking about Greece, not with Greece anymore. So we took that power away because we felt that Greece owed us. And I was always wondering whether disowning a sovereign nation in such a way is right?

✱   Can you go more into detail? Did banks or investment funds go bankrupt in Luxembourg at the time in those years? Or was it just a threat from outside?

/   Luxembourg back in the day decided to intervene to rescue systematically relevant banks. It was a policy choice in order to preserve stability on society at large. But that question was open for every country to decide. And we also know from other countries that other decisions were taken. So that question of, at what point do you intervene and let also some events go their course, natural course of construction/deconstruction was also interesting to see. How do use power to prevent certain things from happening?

And in Luxembourg the government or policy makers decided that it was in the national interest not to let certain consequences unfold, but we know that this was not the case in all the countries.

✱   Were these interventions followed by a policy of long-term austerity, like in many other countries or how did that work out?

/   So during that time in Luxembourg, there was definitely a policy of budgetary discipline, a prudent policy was adopted, but it was also a policy that was going beyond just budgetary measures, but also trying to redefine a model for the financial sector.

And I think this is a reflection that many other financial sectors were also engaged in. What is the place of finance in a world that is growing out of this financial sector and also in a very regulated environment? I think this is something that we still are trying to adjust to ever since the crisis.

We also have a European framework that is extremely dense. I would say that it has a lot of power. And some would even say, is it legitimate or not? Because we all know that these institutions are not elected institutions.

☐   I found it quite surprising at the time that one could even talk of the possibility of, for example, Greece being pushed out of the Eurozone, because in my view, the EU is not just an organization. It's a state-like organization. It's somewhere in between an organization that you can join, but also leave again, and a state. In a state you don't just join and leave. Not just like that. As the UK has now found out.

So I think in many ways, I mean, my country, Belgium in many ways, we're a province of the EU, of the single market, of the Eurozone. You're a province of it. And you implement what's decided at the central level.

So, I mean, no American would conceive that as a result of the financial crisis, you would have to push Texas out of the union, right? So that we conceived of pushing Greece out, I found very, very disturbing in a way, because my desired end state is the United States of Europe. Also because in my view that's the only way to aggregate power and sufficient strength at the central level, not in every field, but if you have to hold our own in a world of intense competition between China, Russia, and the US, if you have to hold our own in a technological race, an economic race, then I think we need to centralize in some areas much more than we do.

/   So how does the internet play into all this?

✷   There is a FinTech turn. I've been very much studying that since 2013. We started an international network called Money Lab, consisting of around a thousand artists, activists and researchers from around the globe that work on issues such a crowd-funding, cashless society, universal basic income, and, yes, Bitcoin, blockchain, NFTs, the crypto sphere that is now called Web3. The financialization or the monetization of the Internet is seen as a good thing. First of all, it radically breaks with the dogma of Silicon Valley, which is trying to defend a sneaky business model for itself to give away all the services for free and in exchange for your data, collected behind your back. This is what we call 'the economy of the free', luckily this is now slowly coming to an end. This took a long time, two decades, and a lot of people are still hooked to social media. Financialization is considered as a good thing as long as it is done in a decen-tralized way, and aimed to disrupt the power of Silicon Valley. For a long time, the Bay Area was deep asleep. They are still defending their monetary system, the old model.

☐   Can you give a concrete example here of what that means?

✷   What it means?

☐   Yeah. A concrete example of the monetization.

✷   Yeah. Well, but also just go to China.

☐   Yeah?

✷   Yeah. Well, but also just go to China and look at the role of WeChat Pay, Alipay and UnionPay. Look at how the platforms there are fully monetized where almost a billion people trade and sell goods and services. These are fully functioning pay-ment systems, which the Americans have always blocked and are still blocking to this day, defending the interests of both Silicon Valley and their banking and cred-it card sector. But then the 2008 financial crisis happened. Bitcoin grew rapidly and the crypto blockchain sector developed a completely parallel system, primar-ily because Silicon Valley refused to implement it, and they refuse it up to today. Against the US platform capitalist monopolies we find a right-wing populist, crypto dream, which is primarily against the State. Against not only the State, banks and their fiat money, but it's also against global finance and its governance structures.

Unfortunately, this whole crypto thing is not going into a direction that is now im-plemented in China. So China is really well ahead in this game as they also recently shut down their domestic crypto scenery. That we in the West have this kind of dual system of an Internet that is free and kind of half-hearted attempts to implement some payment systems in which some banks are involved, but traditional banks are also very cautious and they don't really want entire these highly volatile markets. American credit card companies also don't want any peer-to-peer payment sys-tems to be implemented.

So on the side of the West we see a chaotic picture. Whereas, if you look at the way that, for instance, in China, these platforms are implemented, there's much more integrated idea.

Now, I'm not saying that it's going to be honky dory. Lately, the Chinese Communist Party is intervening the fast-growing monopoly power of Big Tech threatening their hegemony. This fast growth was caused by the venture capital-backed American system that Chinese startups like Tencent and Alibaba copied in which systems that grow very fast, making it impossible for both competition and regulation to step in, thus creating a small group of ultra-rich people.

Besides all this, the point is that in China ordinary people have more possibilities to set up their own e-commerce and payment systems. Whereas here in the West, it's still very much in the hands of traditional banks and tech giants.

☐ For me, it somehow makes me think that still the natural incumbent of power is the State and that in the end, that's the still the most legitimate actor and if it acts, it can really wield its power. Because you'll often hear, "Well, but the big IT giants and so on, they are replacing the State. The Internet has democratized power." But I don't buy that.

So I think for example, the reason that Microsoft has become very powerful is because we've let them, but if the State says tomorrow, "It's finished" we can do that. But we, or some policymakers, they just don't want to. But for me, the State... It's still a world of States. And I think it will be for a long time to come. And even in the cyber world, it's the most powerful States that wield the most power in the cyber sphere. Logically, because you need resources also to develop that. But you... Oh, sorry.

/ No, I'm just thinking and listening to the two of you and trying to put it also, again, in a context of how our understanding of power has maybe evolved over the past centuries. It seems that we think of the power system in terms of a hierarchy between those that have power and those that do not have power. There are different categories, even within the categories there are differences. There are those that have more power than others. We need to rethink completely and profoundly this way of organizing society. What would a world look like where nation-states actually have equal power in the sense that they're equal peers? Where the point is not to compete against each other, but to work towards something common? What would happen to the concept of power if you would think of the world like that? Or even among people where it is less about having power over something or somebody, but it's more about empowerment?

☐ Or power.

/ Of course, we observe things, and we conceptualize them, but then, also, how are we trying to rethink the system? Because we also see that it's not a perfect system, it is indeed very dysfunctional system.

Why is it that society today is starting to think like that? Why didn't they think of it 500 years ago? What has changed today? How is our awareness different today, including in our level of maturity? We can see this happen within our families. Children challenge the authority of the parents when they feel disrespected. Now 500 years ago, that probably wasn't the case. So the question today is also to look at how is society at large maturing and how this maturity affects the way we look at concepts that have always been there, have always been implemented in a certain way.

☐   Somehow, I doubt that there will be any great change because we're not in a Greek city-state anymore, where you could say at that time, "Well, every male citizen" which included a lot of people. Well, half of the people already... Not the women, but also not the non-citizens. Okay, you could bring them all together physically, the male citizens, and discuss everything if you wanted. But I think representative democracy... I'm a Churchill fan, you know? It's the worst system, except for all the others, because I don't think you can be strategic in a direct democracy. If you have to, at any moment, decide everything with everybody, then you're always late... you end up in anarchy, I think. That's my fear.

And so again, if you need to have power, that also requires consistency. You need a certain amount of time to develop a project. If whatever I decide can be revoked, because tomorrow someone calls a referendum, then nobody can ever get anything done. So you build in brakes into the system. In our system, it's the election every four or five years.

Some dictatorships managed to organize that too, right? In the Chinese system, until now, they had discovered a way. Because every dictatorship struggles with the same problem. The succession, right? If Putin has a heart attack this afternoon, who will be his successor? Nobody knows. Maybe they have a guy there hiding behind the curtains. We don't know. For all we know, there'll be a huge succession crisis. And the Chinese had a system that said, "Two terms, and in your second term, we prepare the next one." Xi Jinping is now breaking through that, by going for a third term. But that also was a brake.

Even in an authoritarian system, you know that power, you have a finite amount of time to use it. So still I'm not a big fan of referenda, the vox populi, all kinds of direct democracy. I think it sounds naive to me. It stops you from actually exercising power. Also exercising it for the good.

/   Just to clarify, this is not what I was suggesting.

☐   Yeah. Yeah.

/   I was not suggesting direct democracy. I was just exploring this idea at the level of a system.

☐   Yeah.   **9**

/   To think of the possibility of what a world would look like, whether US, China, Russia and the rest of the world would actually interact as equal peers. And it has nothing to do with democracy as such. I mean, we're talking about legitimate governance here. But what would happen to the order, also, in the world, to the way countries would interact with each other, and then therefore also the people in these countries, if it was less about fighting each other, but more about working together towards a common cause. And if you think of power being something like this, it becomes a very positive thing.

☐   It looks... this leads us back into the Concert of Powers that we had in the 19th Century. After the defeat of Napoleon, at the Congress of Vienna, the powers sort of organized a system for Europe. And of course, those same powers then all developed an Imperialist project and meant to control the rest of the world. But to an extent, it worked within Europe. But again, it meant, of course, that those few great powers, five, six, they decided the fates of the smaller states, right? And when Belgium separated from the Netherlands, for example, it was up to them. They decided. We accept it or we don't. It was not up to the Dutch or the Belgians in the end.

What I think we could achieve today, when we have, for the moment, four big global players, China, Russia, US, EU, is a concert of powers, but embedded within strong multilateral institutions.

So the great powers, they have to take the lead because they have the scale to do that. But working also for the others. Not just deciding over the others, but working with the others within the multilateral system. I think that's the best we can hope for in the current setup.

And I would say, I always distinguish between competition and rivalry. I think competition between states is inevitable, just like in the economy. If I open a supermarket on one corner of the street, I'm competing with you, if you open one on the other corner of the street. That doesn't mean we're enemies. So for a state... Every State is looking for export markets, for natural resources, for influence. It doesn't mean that the other state, who's also looking to increase its export, is your enemy, because sometimes your interests overlap and you... So you compete, you cooperate at the same time. But rivalry is something else. That means that I decide not only to defend my interests, but that I actively try to undermine yours, on purpose. And that's something that we ought to try to abstain from, because that's pure negative power, right?

I think what we are missing a bit, we Europeans and certainly the Americans, is our positive project. I think far too often the Americans say, "Well, we are not China. We're against China. So you have to be with us." And other countries say, "Yeah, but China has a lot to offer. Belt and Road initiative, investments... So there's an offer on the table. You're against China. Okay, but what's your offer for us? What's your positive project?" But it's very easy to fall into this Cold War rhetoric of us against them. And then you don't get that cooperation or that concert.

✱   I don't believe in competition. It's simply not happening on the Internet. What we're dealing with are 'whales' and other forms of 'near monopolies'. Once you are inside a monopoly, you can open your own shop but you do that inside Amazon, Air-BnB, Uber, Instagram. Or in the case of crypto you are kindly forced to use platforms such as OpenSea and Coinbase.

And the Internet has not fostered markets. The so-called markets with their auctions are a simulacrum, a special effect, staged by monopolies. There is this strange pseudo competition, performed by ordinary users. For my generation, the people who built up the Internet between with this dream of decentralized distributed networks, the ugly reality of platform capitalism is a harsh one. With Mark Fisher one could also call it platform realism, a realpolitik, if you like, versus the idealists that hang on to this original idea that there might be decentralized peer-to-peer possibilities in which we can redistribute the wealth that is created. And that position is, in fact, becoming weaker and weaker. There is no concept anymore of a counter-power. This idea is simply not existing anymore. So in the times when labor and the working class was fighting the industrialists, the robber barons and the bourgeoisie, there was a very clear idea of social organization that would culminate in class struggle. This idea slowly faded away in the sixties. After the trauma of 1968, the drop of the Gold standard in 1971 and the 1973 oil crisis the world entered the never-ending seventies, dominated by neo-liberal austerity policies that actively supported the move of industrial production to cheap countries in favor of IT and financialization, ultimately causing the worldwide proletarianization of middle classes and the widening gap between the 99% and ultra-rich 1%.

In this light, what does it mean that the notion of a vital counter-power in society has faded away? If there is anything that comes close it would be the populist national right-wing xenophobic movements. In Europe they are the only real counter-power that we have seen over the last 10, 20 years.

☐   But do you think the State itself could be that counter-power? In Europe, I mean? To break some of the monopolies?

✱   The issue is the state has withdrawn on so many levels and given many of its vital functions to the market. To reintroduce a notion of the state... Yeah. Many would say, it's a good idea, but seeing is believing.

☐   Although, the Corona crisis-

✱   Farmers are really, really, very clear about this.

☐   Although with the whole Corona crisis now, you saw in the end, the States were the first to take control.

✱   A return. That's definitely true. And we're very... We're only one and a half years into that. And yeah, it's an interesting question, if Corona will provoke this return of the State?

☐   Because you see that classically, in times of crisis, I mean times of war, the State takes control of the economy gradually. And if that war has become all-absorbing, then the State mobilizes all the resources. And, so in a time of crisis too, you saw in the end, the State stepping in. But I wonder whether we can make it more permanent.

Sometimes it strikes me that we very easily criticize China and say, "Oh, there are State owned companies," and ipso facto it is bad. But I'm thinking, "Well, not necessarily." And we tend to forget that many... No, all European countries organized a planned economy after the war to kickstart our economy. I'm not saying we've to go back to nationalizing the coal mines and so on, but somehow we are now at the other extreme and we're so stuck. I always irritated lots of people: I remember having a talk for the America-China Chamber of Commerce. And when you say that, "Well, maybe the answer is not to berate China for having so many State-owned companies... or not only, but also to organize our own State intervention where it's necessary," People can get very, very excited, but I think it's what we need to do. Especially then again, at the level of Europe. "Greater scale and then intervene a lot more actively where that's necessary" would be my take.

✱   Yeah, you must have really been informed. Can you tell us what is being discussed in the Board of Directors of the banks today?

/   Maybe just before I answer that, what I thought was very interesting in the financial crisis is that when it really came down to it, when the crisis was especially acute, as in Italy, at some point, there was a big issue that the government was replaced by a technical government. I don't know if you remember that. Something similar was done in Greece, and I was always wondering, "So what does that say about our systems?" That when really it comes down to an existential crisis, we actually put our political system to the side, and we decide that we need to all be unified, because otherwise it's not going to work. What learning do we draw from that?

So on the one hand, of course, it is very important that as human beings, we learned to express ourselves and we are emancipated and we don't have oppressive systems anymore that prevent from freedom of expression to take place. But on the other hand, I think we need to seriously question whether freedom of expression comes through opposition? That is the point I'm trying to make.

How can one think of a system, a model of collaboration, rather than one of opposition I did that experience when I was in the Ministry. Sometimes, a policy was defined and then you would discuss with stakeholders and basically, behind the doors, some would say, "You know, I actually agree with you, but outside, I can't say that."

So I'm thinking, how does that make sense? How is that actually an expression of someone's position? It's not. It has become a trap. Those are the incoherencies or the imperfections of the system that has a lot of good things, but on the other hand also has developed some aspects that are actually preventing us from moving on.

In Samuel Huntington's book, *the Clash of Civilizations*, the point is made that we have until now lived a history of defining ourselves by negation, especially to others. So, basically, if I am not you, who am I? As you said, we don't want China, we don't want this, but then who are we actually, how do we now go from a state of mind where we reject what we are not to a state of mind where we, first of all, welcome who you are, but then also define proactively who we are. That seems to be quite a challenge in the way we also look at power, because it has always been used as a tool to protect, a tool to reject, a tool to impose, but how can be a tool to communicate, to develop, to construct, to build. What you now asked is a completely different subject, because what I'm seeing now, and I actually find it fascinating, this is one of the reasons why I decided to become independent director, is now the power of good governance, as you would call it.

And you can look at it at a level of a financial institution or country or any other sector, I don't think it's specific now to banks, but what does organizational health mean? And what does this health in a nonphysical term actually mean? Who needs to do what for the whole to function in an organized, structured, and healthy way? What is the role of a Board of Directors vis-à-vis operation management, vis-à-vis every single person in that institution for the whole to work.

What is the role of that entity up there that is in charge of policy, and strategy, and the financial performance of an institution. And what kind of a power is that, and how do you construct that power in a way that it is also legitimate, and it's a reality connected? Because one of the problems that we often have when we talk about power is that we also feel that those who have power don't necessarily understand reality, they're not in the field, they are not close to the needs of society, of a bank, et cetera. So I think also there, the concept of power is being redefined. The overall objective is that all components of governance interact well and work well together, allowing for all to contribute. It is not just about some parts, and others basically just have the power, but don't exercise that responsibility in a wise way. So also in that sphere, this concept is being completely redefined.

✱   But is that because of pressure from outside? Do you think this good governance is a response? Let's say to... Let's talk about LuxLeaks, the Panama papers, and the recent Pandora papers. I mean there... And if you open any of them, there are numerous references to, in fact, the place where we are now, to Luxembourg, also to the 'narco state' the Netherlands. In fact, an active involvement of the state, facilitating money laundering. Do you feel that pressure, and is it PR related or would you say goes beyond the image?

/   No, it definitely goes beyond, I mean, concretely, if you look at how the financial ecosystem has evolved, you have regulators that are now very deeply looking into the inner life of financial institutions to see how are they doing their business, how clean is that business, are they complying with regulation, et cetera, so there's a lot at stake. Then the question is who's responsible for that, and I think as our concept of responsibility, and liability has developed over the past years.

The concept of governance has profoundly changed. 10 years ago, sitting on the Board of Directors of a bank meant something completely different than today.

I am a lawyer, so I am naturally attracted to laws and regulation, but I have to wonder whether the amount of regulation that had to be put in place to regulate human behavior is really necessary? Is that the only tool we have to suggest that some things need to be done in a very ethical way? Is there no other framework that we can think of than the regulatory framework? What happened to a common set of principles in society? If we all had the same concept of, let's say, paying our taxes like every citizen would, we wouldn't need to have all this regulation, and I'm just picking one, I'm not even talking about financial crime like money laundering, and financing of terrorism, and fraud, et cetera. I mean, those are extreme things, but tax transparency concept is something that affects every single person.

☐ I think it leads you back, you already mentioned here to talk about the labor movement, and if it leads you back to the very beginning of the labor movement in the 19th century. For what they asked was regulation and laws, because it's the laws that create the freedom, and I fear it's not realistic to think that a common sense of purpose or values will be sufficient, because you always have people who will be driven by selfish motivations, so where you have laws, then it actually creates power for those who operate within the regulated system, I would say, so you have to know what society you want.

When I teach about strategy, I always say, rule number one of writing strategy is: know yourself. Who do I want to be? Which kind of society do I want to be? Because if you don't know that, you also don't know what you are defending actually or what you are promoting, what you're trying to export, so you have to know that for yourself. And then I would say, what distinguishes the way of life that we've built within the EU, broadly speaking, and for me, the key notion is equality, of course not total equality, so it doesn't mean everybody has to have the exact same level of prosperity, but equality in terms of everybody participates in political decision making, everybody has equal opportunity to be educated, everybody is equally protected by the state, and everybody gets a fair enough share of prosperity so that he and she can really take part in society in the way they want. I think for me that notion of equality ought to be the principle that binds us, and that maybe provides the ethical dimension that you refer to... That inspires regulation.

But it seems to me that we've become afraid of saying that or that we push it aside a little bit as if equality is a luxury product, it's nice to have when things are growing well, but when you're in crisis and you sacrifice it, but I would say, "No, the other way around", the point is equality, and the worse things go, the more you must maintain it, right? And we already talked about the European project that is sort of a peace project, keep war out of Europe. But for me, that was always only ever half of it, because it's the same founding fathers of the Union who also built the welfare state after the Second World War, and for me, the two went hand in hand, you make sure there is no war among the state, and to keep the state stable internally, we had to have the welfare state.

I think those two; peace and equality, I would say that's the core of who we are as Europeans. And again, you need power to implement it, and to enforce it, and to safeguard it from any external threats, and don't be too shy about it, I would say. I would almost have to say, "Don't be too American about it."

✷ I would like to bring in something we haven't talked about yet, and that's the term that is associated with power from the very beginning: sovereignty. There is sovereignty on many levels. I'm not so interested in the classic definition of the power of the king and the absolute ruler. Today, there are different manifestations, and I would say many have pointed at that, especially during the COVID crisis. For instance, there was a lack of European sovereignty. It couldn't even produce its own facemasks, it had outsourced all its production elsewhere in the world, and many people were longing for a redefinition so that we could again produce the vital goods and services.

China is now called 'global factory'. Outsourcing, especially in IT and in the financial sector of a lot of work that is being done in India, and is this kind of lack of sovereignty that very often leads to a feeling of insecurity and financial insecurity. Or straight-out poverty. Under these circumstances, does it make sense to reintroduce this idea of a sovereignty, for instance, in your field of finance or IT platforms or in your field of military alliances at the foreign policy level? Because on the technological and internet level, the answer is straight out, yes, we need data sovereignty in Europe, we need tax sovereignty also on the level of data centers, hardware and infrastructure.

☐ There's now this enormous debate on the EU about strategic autonomy, because sovereignty, I would say has two dimensions, you have the capacity to take your own decisions, and the capacity to implement yourself also, and in many areas, we're lacking, right? And so you need to pool your sovereignty in a way at a European level in many areas to regain it. The military field is the example par excellence, if I look at my country Belgium, okay, we can in all freedom decide not to do something in the military field, but if you want to actually do something, then you realize Belgium alone, there's only one military operation that we can do strictly by ourselves, that's the annual National Day Parade. We don't need anybody, we just need people to come watch it, that's it. So you are sovereign to take your own decision, but you're not sovereign, in the sense that you have no strategic autonomy, you cannot implement it.

The answer is to pool it, but then strangely you hit nationalism again, and I think sometimes the EU has made a mistake by presenting itself as a post-national project, and we said to feel Polish or to feel French, that's old-fashioned, you should forget about it, but it's strong, it's there, you can't wish it away, it's a strong emotion. Perhaps not in Belgium, all Belgians are the least patriotic, but because we're all unpatriotic together that still makes us patriotic somehow. Anyway, that's another discussion, maybe we should have said, "As EU, by all means don't be a nationalist" because nationalist is more negative, it's me against somebody else, but be a Patriot, it's me for a project, so be a Polish patriot, be a French patriot, but it's no longer enough.

So in addition, be a European patriot, and do at that level create a sovereignty, at a level where you can exercise it, right? And the EU has the principle of subsidiarity, the lowest possible level, fine, they don't need to bring everything together in Brussels, but think about it, that you may be a Polish patriot or a French patriot, and so you may think you to gain power back from the EU, but gaining stuff back from the EU probably means opening the road for China, maybe not the best way, so maybe European sovereignty is indeed what we need in many areas, I would entirely agree.

✽ We need to re-industrialize Europe, away from soft services. Specially when we are bringing in climate change and related catastrophes ahead where people ask the question, "Can finance play a positive role there in this very urgent transition that we need to somehow organize, and can this go hand in hand, for instance, with a re-industrialization of Europe or is this a project that we simply have to forget about and accept that, for instance, China is the global factory, for instance of solar panels, and that we as Europeans will not have much to say anymore about production except for consumer regulation?"

/ It's an interesting question, just to come back to the word that you used earlier, sovereignty, and trying to understand it in maybe in a new way. How can we develop a concept of sovereignty where we can be all sovereign, not implying mutually exclusive situations? I think that the sovereign nations state is the most efficient system that we have developed, but how can we still perfect it, and how can we create a model of sovereignties that take responsibility.

And you talked about layers. These concepts can co-exist, I can be sovereign, you can be sovereign, and there cannot be another layer of sovereignty above as well, we can be part of the European Union, and the UN, and be sovereign states, that collaborative system does not exclude that one has the possibility to decide and do things, it just creates a framework for that, that's what it's fundamentally does. So I very much like this idea of connecting this concept in a new way to power, and to responsibility as one coherent framework.

You mentioned the role of finance in this context. I mean, you know that in the year we talk about green finance now quite a lot, and the European commission has put forward actually a great deal of regulation, very dense, very detailed, and that this will be a huge workload for the financial sector to implement. So there is that awareness that also policies need to be coherent, and this has been, for instance, one of the challenges at the European level, you have your policy for this, and a policy for that, and another policy, so you have now policies that are starting to converge.

When you talk about the environment, we cannot talk about finance because it's one of the tools, and I think that is a positive thing. Again, it doesn't take away from the validity autonomy of a policy, it just creates it in a larger context. On a very, very different subject, I've been following a little bit how the policy on migration is also evolving, and interestingly enough, there has been an effort now to link it to policy on agriculture, and it wasn't done until now.

So also creating this coherence between policies makes the policies much more powerful, because if we start seeing how they impact each other, we can create a coherence that makes them all much more effective. So I see also in that approach, actually something very powerful, and I think that we need to pursue it a lot more because we do create incoherencies in the way we approach certain subjects, and we're realizing that this is impossible to do, and the fact that we have now really also coined this concept of green finance with all the detail that's in, it is a very interesting step in absolutely the right direction.

✱   Could you maybe split it up a little bit? Because green finance, to me, sounds a worthy but the banking sector itself needs to become more energy efficient.

／   It's more about products. So-

✱   Probably.

／   ... what products do you invest in?

✱   Probably not that, yeah.

／   By focusing on the products that actually promote a certain type of energy. It's not an easy a decision and it's the beginning of it. So this is happening right now where banks are reconsidering their product offer, reconsidering their own approach and deciding their level of ambition. We also talk about ESG, which has the E for environment, the S for social, the G for governance. It's part of that thinking of how some elements of our policies are interconnected.

How can we create transitions where we allow for a whole industry to adapt its approach. This is why I point out this question of coherence, because you can create undesired side effects that are actually not really side effects that can have a huge impact.

✱   This is one of the dogmas of Silicon Valley. This has been a mantra, in fact, everyone had to preach disruption. Disruption has been the keyword of the last 10, 15 years. Why not disrupt the energy sector, medical technologies, bio tech? Venture capital led investments have consciously accelerated the disruption of entire sectors and social structures.

／   That's a good question.

☐   Your Russia example is interesting because it goes to show that one is sometimes afraid of having too powerful neighbors, but we're also worried about neighbors that lose so much power that they implode, which creates problems of its own, right? Again, it leads you back to: someone has to be in charge somewhere, ideally the state, in order to keep things stable and maybe somewhat predictable.

And sometimes maybe we wonder whether we're not all powerless in the face of the big global challenges. We just talked about migration, which would be an enormous challenge, especially for Europe, I think. Demographics, economic development in Africa…

And climate, of course. But to me at the same, it reinforces me in my idea that still, therefore, states remain important and great power politics remains vital because it will be very difficult to effectively tackle any of those if you don't have the big players with you. You're not going to tackle climate change if China says, "Well, we don't care." No, luckily they begin to care, if only for domestic reasons and the CCP wants to stay in power. And so maybe this is a story I tell myself, and then while everybody's working on new topics like climate, I work on old fashioned topics like geopolitics and great powers.

Maybe one topic that we really haven't tackled is the most absolute use of power, is to make war and to kill somebody. And it's a very sensitive one, of course. And is this an instrument that we Europeans, that we still need and that we occasionally need to deploy outside our borders? And if so, under which circumstances? It's a very tricky debate. My line is always, we need as Europeans, a credible power projection capacity, the capacity to project force into our periphery, but to use it as little as we can.

But if you don't have it, which is the case today, then other players will not take us into account, because they will say, "Well, whatever we do, the Europeans, they will not interfere." So occasionally they cross our red lines and we are obliged to intervene, but we're not well prepared for it. Whereas I think if you would have a more credible capacity, but also a credible will to use it, some of the actors around us would maybe take us more into account.

But what are the red lines? Very tricky question. Our discourse is always the same. If we do occasionally use military force outside our borders, somehow we always feel obliged to say it's because we are bringing democracy and human rights, but that's not true. Usually that's a side effect of an intervention, but it's rarely the only reason why we deploy somewhere. We go somewhere because our interests are threatened. Two, the risk is that if you declare every war to be a war for democracy and human rights, that every war becomes a war without end because when will a place like Mali, for example, ever be democratic enough to pull out? Or we end up with the situation in Afghanistan, you pull out after 20 years and you go exactly back to the status quo. Exactly to where we were. So, it's a tricky bit for Europe because as we already mentioned a few times now, the EU per se is a peace project. That's about peace among ourselves, but there is not peace everywhere around us, so do we still need the capacity to make war when it is forced upon us, so to say.

✱   Yeah, from my perspective, of course there is the cyber war, cyber warfare, which is now an integral part of the internet business. And yes, there are the very harmful, let's say militarized drones.

But there's also another type of economic warfare with ransomware. It's a whole specter in fact, which is happening and which is kind of replacing the old Cold War techniques. So, the Cold War was usually done with espionage and with of course, a great deal of propaganda. And occasionally of course, also, in fact, real warfare... Maybe not in the center of Europe, but elsewhere. And this is kind of what I see happening. The war theatre is changing.

☐   I would not say that it replaces it. I think it just added to it. And all the other stuff is also still happening. First, we just fought wars on land. Then we learn how to sail then to fight wars on sea. Then we invented the airplane and we had to make war from the air. In the beginning, you always have people, you got the air strategists of the 1920s. "Oh, the future war will be fought only from the air." No, you still fight it on sea and on land as well. And I think now's the same. It's another dimension now. Cyber is there. And so we aim to make war in cyber, but it's added to all the rest and it makes it of course very expensive for states because for example, the Belgian Armed Forces obviously have an Army, a Navy and Air Force, now the Minister of Defense has decided to create this kind of Cyber Force. But the old techniques, sadly, don't disappear... Espionage is still, certainly in Brussels, is often called the espionage capital of Europe because everybody's there. And so all the spies are there.

✱   I don't know if you read about the debates currently happening in the U.S., if it will we go into war for Taiwan, whether it is worth to risk World War III to defend that particular island? What are the stakes here? And I think that will be with us for the next couple of years when we're talking about military power. I think the Taiwan test case is going to be quite an interesting one because a lot of people say that the West will not really care about Taiwan. What does that mean? What does it mean that we don't really care?

☐   We care, but not at any price. It's an issue I follow because my husband is from Taiwan actually, so... And I think few people on Taiwan itself expect the US would go to war with China when push comes to shove. But what we could signal, I think, is that if China were to, let's say, change the status quo by force of arms, it would totally change our relations with China. Because I mean, my point of view is China is a great power. That's normal. Given its size, given its history, it would be strange if it were not the great power. In itself, it's not problematic. It depends what they do with that power. If they use their power more or less within the rules of the game, then I think we will live with China. But if they decide to become an aggressive military power, then we ought to say, "Well, we cannot have any economic relations with you."

I think the regime in Beijing is to realize it would be an enormous gamble to put all of that on the line. So then the economic dimension of power comes into it. But the question is, will we? Because when Russia invaded Ukraine and took away the Crimea, did we then cancel our economic relationship with Russia?

No, because we applied sanctions against Russia, but carefully isolated the energy sector because of the mutual dependence.   **19**

So then again, you say, "Yeah, well the Crimea, they speak Russian anyway, it's been Russian before." And this is how some people may also react about Taiwan. They speak Chinese...

✱ Can you say something about the presence here of Chinese banks? They are very visible, here in Luxembourg. At the same time, the Chinese banking sector is also facing massive problems with real estate debt. How do you look at this kind of model of debt-driven banking? What do you make of that?

/ That's an interesting concept, debt-driven banking. I think that is a global phenomenon. This is the way our financial economic system is built. And you're absolutely right to say that the level of debt is huge, but not just in China, truly. If you look at a European market and not just public debt, also private debt, it is absolutely huge.

What do I say about Chinese banks in Europe? Well, it's an interesting market. Chinese banks want to be in Europe and not just them, other banks as well and Luxembourg is often considered as a headquarter, a place to be able to do banking in Europe. So as such, it is absolutely natural and normal that you would find so many Chinese banks, but also other banks, Swiss banks etc. In Luxembourg, to be able to organize and coordinate banking activities within the EU market from Luxembourg. So this is why they're here. And we are quite happy they're here.

✱ Can you join a board of a Chinese bank?

/ Well, as a matter of fact, I am on the board of a Chinese bank. I am on the board of ICBC Europe S.A., which is the headquarter structure for the branches in the EU and it's quite interesting to work at that level of the board of directors, to understand the Chinese approach to banking, to also understand how their strategies develop, how they do take interest in domestic markets. They do want to be part also of the economic reality of the countries that they're in. It's not just about Chinese business. It's also about domestic business. And this is a strategy that I have seen is developing very recently.

✱ And is it a traditional Shanghai-based industrial bank? What type of bank is it?

/ Well, ICBC is in fact the largest bank in the world.

✱ Yeah, yeah, yeah.

/ So, but it is of course, like most Chinese banks, the standard bank.

☐ Maybe a final question. What power do the three of us think that we each have as an individual? What power do we have? If any? Not much. Apparently,

/ No. In fact, I think this is the most relevant question, because at the end of the day, the question I ask myself is what can I do?

And this is a question, I mean, I used the word earlier of empowerment, that I like very much, and that I find in fact, a much more modern concept of power than maybe what we are used to and as an individual I need to ask myself, how can I make a contribution every single day to the betterment of the world, for things to improve and what is my, let's say, sphere of influence, what can I influence? And at the end of the day, it's a sum of a lot of actions in the world that will make a difference that will make us go into one or the other direction.

So as a human being, as a mother, as a friend, as just simply a woman also in a society where we have still no full equality between men and women, these are all the dimensions of an identity that one needs to explore, needs to be aware of. And then we think, "So what is my very valuable and unique contribution today in this society for us to move a step forward."

And of course, everyone has a different answer to that question, but this is today what defines me as a human being, to be able to understand how I can be of service to the betterment of the world. That for me, is the most powerful state of mind that I can imagine.

✱ To emphasize design and promote the development of critical concepts, that's a deeply European trait. We are in a contemporary art museum. If we follow Ezra Pound's idea of artist as antenna of the human race, we may understand that good artists have this ability to combine vision and reflection. Critical concepts that in my view question and dismantle the powers to be and envision other worlds. There's always a speculative element in concept production. And in my case, always also a critical one.

☐ Yeah. Yeah. Well, myself, one question I always get as a think tanker in Brussels whether you have the power to influence decision makers, but I'm very pragmatic about it. I think occasionally from time to time, you have a powerful idea, between big brackets, that resonates and then sort of begins to circulate of itself, but I've never seen it happen that think tanker 'A' comes up with an idea which leads directly to a decision 'B'.

But I say, if you have a good idea, it becomes part of the context within which the decision-maker decides. So I think the most power that I have, is my teaching. And I like to teach, so it's fun, but this is teaching and hopefully pushing people to think for themselves.

What I also like a lot is not just teaching my Belgian students, but to teach international students. And for example, I think the last thing we should do is to close academic and cultural exchange, because think of a Russian or a Chinese student who spends a semester or a year in Belgium, the Netherlands or Luxembourg, she will have lived in another system for an entire year. And of course, will not go back as a revolutionary, but will have a very, hopefully a much more nuanced view. So I think teaching and then exchanging remains very powerful and very important.

/   Maybe an additional thought to that. I think as human beings, we have one power that distinguishes us from everything else in this world. It's a power to reason. And it's really a capacity that we need to develop far more. And especially in a consumer society where we are trained to be passive, it is a double challenge to use this power to reason. But I like this, this statement of Einstein, I don't actually know if he said it or not, but I like it anyways, where he said, "When we solve problems, we cannot use the same thinking we use when we created them." And I think this is something that we really need to assimilate, that when we look at reality today and we want to make changes, we need to challenge ourselves in our assumptions, in our definitions and have that capacity to rethink a completely different reality. And I think we have that capacity and sometimes we don't use it to the fullest, and this would be something that I would at least hope for. That is a power that we would collectively use far more.

☐   Hear, hear. I think we can end on that very positive note. Thank you, Sarah andthank you, Geert.

/   Thank you. Both of you.