

Speech at College of Europe, Natolin (Warsaw) Campus

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No more new Members (This is not a speech about further enlargement)

This is a year of anniversaries in this part of the world. Personally, I have never been a huge fan of numerological magic. Round numbered anniversaries are, of course, a function of a base-ten number system and were we to calculate hexadecimally, as computer languages do, we would celebrate at different times.

Be that as it may, twenty years since the Polish round-table and the peaceful collapse of socialism with an iron fist here, Germany, Hungary and the erstwhile Czechoslovakia is a one of the most worthy celebrations I can think of. Indeed, I can only second Timothy Garnton Ash's statement that 1989 was the best year in European History ever. Ever.

Certainly it was the best year of my life as it marked the end of a brutal murderous system, imposed from outside and implemented by local thugs, possibly criminally insane and certainly corrupt beyond comparison to anything in non-communist societies, which affected the lives of everyone living in Eastern Europe.

We also celebrated, with considerably less festivity and aplomb, five years in the European Union, which we joined less than fifteen years after the first event. The two events are of course closely related, for without the first, there would not have been the second. A communist, human-rights violating Eastern Europe is as far from European democracy as this part of the world could be. We can and should also consider the intervening years – fifteen – as the minimum amount of time we lost thanks to the Molotov-Ribbentrop Pact of 70 years ago (also this year) and all that followed directly from that.

This was a fundamental re-ordering of the European and the world order, no less significant than the changes after 1918 and the collapse of Empires or, in retrospect, the forcible imposition of the untenable edifice of half a century of totalitarian control in the Eastern half of Europe. It was, moreover, a re-ordering that, unlike the end of World War II, was fundamentally a major change for the better. Yes, we had some complaining about East Europeans moving to the West and the costs to Western countries in the nineties were in some cases far larger than envisioned. In exchange, however, defense expenditures decreased dramatically, the overwhelming fear and anxiety about security of the Cold War era evaporated. MAD, the appropriately acronymed concept of Mutually Assured Destruction disappeared. And, most obviously: vast opportunities opened up for business in the East. Western businesses from banks to water companies, food, clothing, consumer goods and automobile manufacturers suddenly found themselves with huge new markets, 100 million in what are called “New Members” alone. Fundamentally, the collapse of communist totalitarian rule in the Eastern part of our continent was an opportunity for all.

Our security fears today are focus on non-state actors blowing up themselves and us and potentially catastrophic cyber-attacks; the armed camp that was Western and Eastern Europe was replaced first by customs and passport controls and in this decade even those were eliminated as eight countries of the former Warsaw Pact acceded first to the EU and then to the Schengen zone.

It is important to keep all this in mind when we wallow in the doomsday predictions of today concerning the financial crisis, where we read daily in the opinion pages of our newspapers of the End of Life as We Have Known It, or the End of Capitalism, all written out in capital letters. The predicted GDP decline in Europe of 4% this year or even the more extreme 10-18 % predicted decline in selected countries in the Eastern *and* Western Europe takes us back not to a primitive paleolithic life of hunting and gathering or even a chaotic, populist and authoritarian Europe of the 1930s. In reality we are back

to where our economies were some five years ago, when the European Union went through its fourth and heretofore largest expansion.

Let us, therefore, keep things in perspective. Yes, we probably will see a long-term shift in regulation of the financial markets and it will be a climb to restore lost value. Does this amount to a re-ordering of the world? I don't think so.

II

All that said, the problem with anniversaries, is that they distract us from the present. By the present I mean the question of where we – Estonia, Poland as well as the rest of the countries liberated in 1989-91 – are today within the European Union? Have we eliminated the wall within Europe?

I would argue today that we have not. I will use throughout this talk a term I detest: New Members. I use this term not because it has or should have any validity but because it is imposed upon us and projects a Wittgensteinian cluster concept of meanings among „Old Members“ that include “corrupt”, „incompetent“, “un- or anti-European“ „russophobic“, “not worthy of leadership positions”. I shall argue that only by acting together – unfortunately precisely as „New Members“, can we eliminate this division that persists to this day.

In the case of earlier enlargements New Member status did not have this kind of persistence. Not in the 1973 “Northwest” enlargement (Denmark, Ireland, UK), not in the 1986 “Mediterranean” enlargement (Greece, Spain, Portugal) nor in the case of the 1995 “Neutrals” enlargement (Sweden, Finland, Austria).

I would submit that this is a more basic problem that time alone and absent resolve will not solve. Nine years ago I was invited to give a speech at Humboldt University as part of the „Future of Europe“ series instituted by Joschka Fischer, the series of reflections whose culmination arrived only last Monday with the coming into force of the Lisbon

Treaty.

Back in 2001, when Estonia and Poland were still negotiating accession, we used the term „Constitution“. In my speech in Berlin I outlined issues that we would face after enlargement. One of these issues was Western Europe’s attitude toward the countries that would soon join the Union. There I quoted a prominent West European, indeed a past president of the European Parliament:

The forthcoming enlargement is not comparable to any previous one. This is true not only – and not primarily – because of the immense gulf between the West and the potential East of the Union in terms of the standard of living. More important is that the citizens and the politicians of the Central and Eastern European countries differ fundamentally from those in the present EU Member States as regards their national emotional traditions, experiences, interests and value judgments. What needs to be overcome here is not only the legacy of 50 years of separate development but also far older and more fundamental differences rooted in European history. (unquote)

Come again?: people from Central and Eastern Europe are supposed to differ fundamentally from those in the present EU Member States as regards their *national emotional traditions, experiences, interests and value judgments*???

I don’t wish to cavil here with this concrete example of an attitude toward the then candidates, now EU members, from the post-Communist East. I do believe, however, that the subtext of the passage I suggests that until now, the EU has enlarged to include people like "us", in the classic sense of “"us" and "them". But if that has been the case up till now, then with the enlargement now underway, we are taking in some other kinds of strange beings, beings that share our continent but, as the quote says, *differ fundamentally as regards their national emotional traditions, experiences, interests and value judgments*

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I should *in passim* note that this statement and many others like it extolling West European democratic traditions for some reason forget or ignore that the first constitutional republic in Europe was founded here in Poland as the *Rzeczpospolita*.

Were this merely an expression of enlargement anxiety from a decade ago, it would not be too worrying. I believe it is an attitude that not only persists but is measurable. As a one time quantitatively-oriented social scientist, I like to appeal to numbers to prove my point.

The European Union maintains 158 foreign representations, i.e. EU embassies. These will be reorganized under the Lisbon Treaty as the External Action Service. My question to you today is: How many of these 158 embassies in the *sixth year* of EU membership are headed by someone from among the new members? Would anyone venture a guess?

The correct answer:

One.

Second, the machinery of the EU is constituted by the Directorates General. There are forty-one Directorates General. This is the actual “Brussels bureaucracy” that we always about hear about from Euro-skeptics. Can anyone tell me how many of these forty-one directorates are headed by someone from among the 100 million people that make up the European Union, 75 million of them in their sixth year as citizens of the European Union. Anyone venture a guess?

Zero.

As a point of comparison, when Spain (population 45 million) joined, that is from the very beginning, *three* Spaniards became directors.

Is this because these EU citizens are less qualified? Less diligent or hard-working? Less intelligent? I am reminded of the top four scientists of U.S. Atom bomb team in the 1940s

when Robert Oppenheimer stepped out of the room and Leo Szilard, Eugene Wigner and Edward Teller found themselves alone, looked around and one of them said, "Good, now we can speak Hungarian"

Or are new members unrepresented because of our *national emotional traditions, experiences, interests and value judgments*???

In making these appointments we *do* hear of the need for politically control "balance". Women, Socialists, Conservatives, large and small country. New and Old seems not to be part of political correctness.

Yet it matters. Once we move beyond the hard numbers, we encounter even more difficulties. Clearly there are issues that weigh upon us in ways that differ utterly from "Old Members". Germany and France have held pre-Summit meetings of the Chancellor and President since the earliest days of the Union. It is a regular feature of Benelux cooperation for Prime Ministers to do the same. Yet when Visegrad does the same, you hear: "if they have to meet regularly before each council, that could raise questions." From one of the aforementioned Heads of Government.

When the new members have serious concerns, as with the invasion of Georgia last year, these are written off, considered Russo-phobic, and when conditions as how to proceed and are finally agreed to as a Council conclusion, these are simply forgotten and ignored by the next meeting of Heads of State and Government.

Even more broadly, look at the allotment of high-level executive, that is to say decision-making, positions in Europe in 2009. Four positions were up: President of the Commission, President of the Council, the Foreign Minister -- and here we need also to include among the executive positions for European also the Secretary General of NATO. It is yes, a different organization, but the talent pool is more or less the same.

There was no serious discussion of new members for *any* of these, with the possible

exception of Radek Sikorski mentioned as a potential Secretary-General of NATO. The latter example is a good case in point: press discussions and diplomats in private said that Sikorski, smart as he might be, wouldn't fly because the Russians wouldn't like it.

I must admit that in this regard we *have* come a long way since 1989: who becomes Secretary General of NATO depends on how Moscow views him,

More broadly, we might ask, what are the new members in the EU? Are they not fit?

L&G

I raise these questions *not* because I am a euro-skeptic. Not because I think the EU is not a good thing. In fact I believe the opposite. I am and have been since Estonia began its road to EU membership 15 years ago one of this continent's most committed integrationists and my speeches throughout have always been so.

I raise these issues, point out these dramatic inequities because I fear that the European project will not succeed if we allow this kind of Jim Crow approach to member states where low-level positions are filled by new member citizens while the actually running of the Union continues under the Old. More importantly, the European project will fail if we do nothing to stop this treatment of member state citizens, where your country of origin determines, as it does, whether you qualify or not for a senior position. Or where the legitimacy of one's concerns about foreign and security policy is a function of being new or old.

But let us not simply complain. We can and must change this state of affairs not only for us but for the sake of a functioning European Union.

For one, we *do* now have the Lisbon Treaty, giving substantially more powers both to national parliaments as well as to the European Parliament. Both have to play a role.

In the upcoming hearings of EU Commissioners European Parliamentarians must get commitments from Commissioner Candidates *before* they are confirmed that Directorate General appointments will reflect the European Union as a whole, not just the pre 2004 status quo. The approval of the Foreign Minister, responsible for creating the new External Action Service must be contingent on a firm declaration that the absurd and discriminatory staffing of EU representations will be ended.

National Parliaments as well must be far more assertive with their new rights. National Parliaments in the New Member states need to become far more aware of EU policies and make fair representation of their citizens in EU structures a priority.

III

L&G

So far I have only talked about the most egregious aspects of treatment of the new members. Yet these are actually minor when compared to the real business of the Union. True, our issues receive less attention because we are *unrepresented* in the bureaucratic leadership of the Commission, the DG-s and the representations abroad, but if we want the EU to be our EU as well, we need to be able to make a much stronger case for the issues that affect the EU as a whole, and where the national interests of the few have caused the rest of the EU to lag. And no, these are not related to EU foreign policy.

The three issues that I believe we have most to worry about today in the EU concern Energy Security for the Union; corruption, specifically the temptation of corruption for the political elite by authoritarian petro-states; and finally protectionism or alternatively, the inability to fully implement the four freedoms and the rule of law.

All of these are in fact related.

First, energy security. This is an issue, too often clouded by discussion of technical

details of pipeline routes then followed by a leap to broad generalizations that ignore major facts on the ground. Alas it is a canard to say that energy supply to Europe from Russia has always been reliable and that the Ukrainian cut-off in January was one-off event that was adequately dealt with in a technical rerouting of supplies. The Ukrainian gas cut-off last Winter not only was a repeat of the Ukrainian cut-off of gas following democratic elections in the winter of 2005-2006, but was simply one more in a line of upward of 30 *politically* motivated cut-offs of energy in the past twenty years. Estonia, Latvia and Lithuania have all faced energy cut-offs following political, or even strictly commercial privatisation decisions not appreciated in Moscow. The closure of the Druzhba oil pipeline to Lithuania followed upon that country's decision to privatise an oil refinery to a western company. When the Czech Republic's politics did not follow what Moscow wanted, its oil pipeline was shut down. In other words, energy not only is not fungible, it is not even strictly commercial, it is a political tool. If we do not admit that it is a tool and that it is explicitly used as a tool of foreign policy, we shall have lots and lots of problems in Europe.

I would disagree with the idea that we enjoy energy interdependence. Too many times we have witnessed economically unsound decisions guided by political considerations. It simply doesn't wash.

Paradoxically, the end of the Cold War made us less secure in this regard. We hear as a mantra how for 40 years Russia has been a reliable source of natural gas. Indeed, during the ideological stand-off of the Cold War, we *did* have genuine interdependence, independent of ideology. One side had the cash, the other side the gas and it was understood that the commercial relationship would not be disturbed by other matters, be they the placement of SS-20 missiles or anything else. Only in the past 20 years has energy become a tool of policy where the tap is turned on or off based on political not economic reasons. This is not an analytic conclusion: if you read the Policy concept paper on the Russian Foreign Ministry webpage you will read that the government itself considers energy resources a political tool.

Thus it is important that we not be lulled when we hear businessmen say it's only business. For the business community, it clearly is. But for Europe, for the Union and its citizens, energy, its use as a tool is a threat to independent decision-making in democratic societies.

More than policy, the collapse of an ideological stand-off has led to behaviours that never would have been tolerated in the cold war. Who in 1980 would have conceived of a former head of an EU and NATO government going to work for a foreign state-run gas company, with which he had made a commercial deal while in office? A company controlled by a government that repeatedly uses its control of the state enterprise for political ends?

This is a broader issue we need to come to terms with: how do we reconcile our values in the EU (which we consider paramount) with competition in the World ? It is no longer a rare event that in competition for market access an African country will award a contract to an Asian country after it gave a large foreign aid package to the African government. The question is „how do we Europeans compete in that kind of environment?“ The answer is we don't. When authoritarian regimes shed ideology and use money to achieve their ends, when cash-flush authoritarian petro-states can use either their energy supply or their disposable income to manipulate policy makers in democratic societies or to beat out our companies through untransparent means, the democratic West will be at a competitive disadvantage of far greater proportion and longer lasting consequences than the current recession.

Here I would raise two areas, one, again energy, the other the four freedoms, where putting individual member state interests over the broader interest of the EU leads to a long-term weakening of all of our economic and political well-being. The EU Commission has twice fined the U.S. company Microsoft, each time a billion Euros for

violations of anti-trust, or in EU language, competition policy. The charge was „bundling“, automatically including the Internet Explorer Web browser on Windows. That is, if you bought the Windows operating system, you automatically got Explorer.

Now, as we know, we still have a choice: if we buy Windows, we can use Firefox or Mozilla. Or we can use a completely different operative system like Linux or as in my case a Mac with its own OS. But we have a choice.

Yet the commission thinks that is not enough. But when we come to energy, some member states have up till now blocked the application of this same competition policy, with far greater consequences, and where the violations are in fact far more egregious. There is no clearer case of bundling than energy suppliers owning distribution networks. In energy there is no choice: you the consumer can get your gas only from one distribution network. There is no alternative. If that distribution network is owned by the company supplying your energy, you have no choice whatsoever. There is no Firefox, there is no Mac OS you can switch to. Yet here, for some reason, we see EU governments unwilling to apply their own laws. I think this is fundamentally dangerous. As selective application of the law always is.

Which brings me to the larger issue of the four freedoms in the EU. We have complete freedom of movement of goods and capital, almost complete freedom of movement of people and very limited freedom of movement of services. The problem is that complete freedom of movement of capital without complete freedom of movement of services results in a profound distortion of the internal market. When the Services Directive was passed in a highly watered down version in the European Parliament, one type of service that was knocked out of the bill was free movement of water services, whatever that might mean. Yet at the same time much of the water services in new member states have been bought using free movement of capital, by old member states with the capital to do so. This is repeated over and over in the restrictions on free movement of services.

These are the challenges faced by Europe today. These are the challenges where the so-called New Members must make their positions part of policy. For it is a paradox that in the broadest issues, it is not the New Members that hold parochial, protectionist values. It is not the New members that express their *schadenfreude* that some other member was the „big loser“ in the apportionment of commissioner positions. You will not see frankly racist campaigns a la the „Polish Plumber“ or the Latvian construction worker in the New member states. Or if you do you will see allround opprobrium, not self-serving justifications.

Thus the paradox of my talk. No New Members. No New, no Old. We must stand up and say that we no longer accept this treatment, that we must be treated as equals, that our concerns are not the function of our accession time. We must make clear in the Council, in the European Parliament and through our National Parliaments that there is only Europe, and its members and above all, its citizens. Neither Old nor New. To paraphrase one leader, currently under indictment: We are, after all, rather well brought-up adults who have no need to remain silent.