Europe's Next Frontiers

As a former member of the executive board of Ulkopolitiittinen instituutti, it is a particular pleasure to speak in your EU Presidency series, which has hosted a number of distinguished guest speakers.

I would like to thank Tapani Vaahutoranta for the opportunity to discuss "Europe's Next Frontiers" with you. I have recently published a book on this subject. It is not an academic exercise but instead part of my job to better communicate on Europe.

You won't be surprised to learn that the book is partly about enlargement. But it is also about the wider malaise in Europe. Our contemporary debate is characterised by defensiveness, and by a lack of the economic and intellectual openness which has been Europe's fundamental strength since the age of the Enlightenment.

Seldom has this kind of ostrich attitude – of putting one's head in the sand – carried the day. Therefore, instead of limits and borders, the debate on the future of Europe should in my view focus on the next frontiers of the European Union.

I mean borders and frontiers as used in the English language: Borders limit our minds and reduce our influence. Frontiers open new avenues and increase our influence. Frontiers are much more substantive, functional and innovative – even mental – than geographical. They should help us to outline a forward-looking and positive but practical vision for Europe.
What, then, are these new frontiers of Europe?

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**The first frontier** and most urgent challenge is the economic revival of Europe. We need to rebuild confidence in the European economy. For that, we should overcome our usual pessimism, as Europe has both structural strengths and, now recently, cyclical advances to build on. Cyclically, there are better signs both in German and French economies. Germany is needed back as an economic engine.

Job creation remains the key challenge to the European economies. We have to improve our innovative capacity and the employability of Europeans by investing more in education and training, and reforming labour markets to enhance both flexibility and security. But the difficulty is as Prime Minister Jean-Claude Juncker has said: "We all know what needs to be done, but we do not know how to be re-elected after we have done it."

We should use the better times, as it is much easier to conduct reforms in good times.

Many citizens oppose such reforms because they believe that the reforms mean only flexibility, and not security. We should show them that reforms can achieve both. The economies that have emerged as the winners in globalisation, such as the Nordic countries, are open and knowledge-based, having long ago adjusted to globalisation. The have managed to combine opening to the global economy with social inclusion.

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The second frontier is the political revival of Europe. Debate about how to make this revival happen should avoid false dichotomies, such as economic versus social Europe, or deepening versus widening.

The view that the EU should develop only as a free trade area, without strong political integration, is a fallacy. There would have been no Single Market of 1992 without the Single European Act of 1986, which extended qualified majority voting and thus made the necessary decisions possible to create the Single Market.

We need both an economic Europe and a political Europe. We need economic reforms to enhance competitiveness and employability, and political reforms to make the Union more effective and democratic.

Widening versus deepening is another false dichotomy. History shows that political integration and enlargement rounds have proceeded in parallel. Since the 1980s, the number of EU members has more than doubled from 12 to 25, while the Union has simultaneously taken major steps towards deeper political and economic integration by establishing the single market, introducing the euro, and reinforcing the common foreign and security policy.

Deepening and widening can continue in parallel. If the EU concentrated solely on deeper integration, we would fold in on ourselves. If the EU focused only on enlargement, our Union would simply become too weak.

Accepting the differentiated integration, or the principle of enhanced co-operation as in the treaties, is important. This principle is not something new that was invented just because the Union has enlarged. We would hardly have the free movement of people or the single currency without having accepted it. Differentiated integration has enabled the Union to maintain dynamism. But any such future project – e.g. in justice and security matters – should be open to any
member state willing and able to participate in it, and it should be decided in the EU framework and respect its decision-making rules.

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The third frontier is the gradual extension of the European zone of peace, liberty and prosperity. The EU can exercise its soft power through a rigorous and carefully managed accession process.

We need to build a new consensus on enlargement, which both recognises the strategic value of enlargement, and also ensures the Union's capacity to function. The challenge is to improve the functioning capacity of the current EU, not just to plan for an abstract conception of absorption capacity in the distant future.

Some politicians have called for a definition of the ‘borders of Europe’. But can we draw such lines on the map? When the EU rejected Morocco's membership application, the line in the South was drawn to the Mediterranean. In the West, the Atlantic Ocean forms a natural border for the EU. In the North, the Europe ends to the Arctic Sea. At the moment the EU's northern borderline is between Finland and Norway. In the East the EU will stretch to the Black Sea as Bulgaria and Romania join the Union. But in the East there is no such natural borderline for the EU as there is in other directions.

But the EU is defined by its values more than by sheer geography, especially in the East and Southeast. The EU Treaty indicates that any European country which respects the values of democracy and the rule of law may apply for EU membership. It does not mean that every European country must apply, and even less that the EU should accept every application. But it means that we should not draw in Indian ink some thick “fault line” according to some notional historical borders between civilisations, and thus construct kind of Velvet Curtain only a few years after we got rid of the Iron Curtain.
In some founding member states, such as Germany and France, opposition to enlargement is not stemming only or even mostly from fear of the Polish plumber or cultural rejection of Turkey. Rather, it stems from the perception that people don't know where the European project is heading. For the EU to continue its carefully managed accession process, its decision-making should be made more efficient and its common foreign and security policy reinforced. That is why the EU needs to work on its economic and political revival, not make enlargement the scapegoat for domestic failures.

It is in this context that President Barroso recently clarified his view that a new institutional settlement should be born by the time the next member is likely to join the Union. If Croatia will be able to reform its judiciary and economy with rigour and resolution, then it is likely to be ready around the end of this decade. But the Union needs to decide on key institutional reforms before then - in 2008, as the European Council outlined in June. But while we are preparing further internal reforms, we will continue helping the countries of South-Eastern Europe with their accession preparations, so they continue to work towards meeting our rigorous conditions.

Rigorous conditionality, combined with the incentive of a credible membership perspective, provides the EU with strong leverage for reforms. Conditionality works. Look at Portugal and Spain today, and compare them to what they were 20 years ago – a dramatic change for the better. Look at Estonia and Poland today, and compare them to what they were 10 years ago – again a dramatic change for the better. Look at Croatia and Turkey today: without the incentive of EU membership, Ante Gotovina would not be behind bars in The Hague, nor would Orhan Pamuk necessarily be a free man to collect his Nobel Prize for Literature, which is a victory for Turkish and world literature, but also for the freedom of expression, and thus for European values.

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Finally, let me make a point on the relationship between commitments, credibility and conditionality - and the reforms in the candidate countries. What is the best strategy for the EU on enlargement? Simply, we should be both fair and firm.

We should be fair and uphold our commitment to give a candidate country a chance to show whether it can meet the accession criteria. We should be firm by maintaining rigorous conditionality, which is the driver of democratic and economic transformation.

Those who continuously question the EU accession perspective e.g. in the case of Turkey are creating a vicious circle of reversed commitment, weakened conditionality and stalled reforms. By keeping our word and sticking firmly to the accession perspective, we can create a virtuous circle of credible commitment, rigorous conditionality and reinforced reforms.

It should be obvious which option – vicious or virtuous circle - we must choose, if we want to promote democratic and economic transformation in South-Eastern Europe, as we have declared numerous times.

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Ladies and Gentlemen,

Enlargement is the essence of the EU's soft power - its power to transform its nearest neighbours into functioning democracies, market economies, and true partners in meeting common challenges. We have seen our soft power at work in Central and Eastern Europe over the past decade and a half.

There is no headlong rush towards rapid accessions in the near future. The next likely country to join is Croatia, with others at different points along a long road. During the long period of preparations ahead, our biggest challenge is to keep these countries motivated - to pursue their reforms and to become better
partners for us in tackling common challenges such as cross-border crime and environmental problems. That is the best way to ensure the long-term security of Europe.

Thank you for your attention. I look forward to your questions.
We were trying to get the jump on the next trend in eastern Europe, so Romania and Bulgaria were obvious places to look at, says Ben Cox, general manager of William Hughes Bulgaria. Coming to Bulgaria has been a huge success for us. Its factory, the first in a new industrial park in Plovdiv, Bulgaria's second city, has grown from one machine and 10 workers to 65 machines and 180 people in six times the space. Europe has become a pipeline of Division I recruits and increasingly for schools from the Power Five conferences. Recruits from Germany, Sweden, Finland, Serbia and Ireland signed this week with programs including Washington, TCU, West Virginia, Virginia Tech, Georgia Tech and Boston College. Europe has become a pipeline of Division I recruits and increasingly for schools from the Power Five conferences. Recruits from Germany, Sweden, Finland, Serbia and Ireland signed this week with programs including Washington, TCU, West Virginia, Virginia Tech, Georgia Tech and Boston College. It's kind of the next frontier, so to speak, in recruiting, West Virginia head coach Neal Brown said about Europe in a press conference on Wednesday. Everybody's in a trial run on this. Europe has become a pipeline of Division I recruits and increasingly for schools from the Power Five conferences. Recruits from Germany, Sweden, Finland, Serbia and Ireland signed this week with programs including Washington, TCU, West Virginia, Virginia Tech, Georgia Tech and Boston College. It's kind of the next frontier, so to speak, in recruiting, West Virginia head coach Neal Brown said about Europe in a press conference on Wednesday. Everybody's in a trial run on this.