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THE EUROPEAN UNION - EXPECTATIONS AND CHALLENGES

Esteemed Participants of this Academy,
Ladies and Gentlemen,

It is an honour for me to discuss with you our future as Europeans. I hope this will spark off an open debate on what kind of a European Union we would want to promote and protect our common interests in an increasingly complicated international context.

The evolution of the EU, from being a Coal and Steel Union with six Member States to an economic and political community comprising 27 (28) European States hosting half a billion people, has much been carried by its ability to further the economic interests of its member states and enhance peace and stability on our continent. Prosperity has allowed the union to become the world leader in promoting and defending human rights, democracy and the rule of law.

The ability to deliver **security** and **prosperity** to its citizens will also be crucial for the future of the union. We are, however, facing challenges of magnitudes not seen before, problems which no single Member State is able to solve on its own. - In Finland I have heard somebody say: What is good for the EU, is good for Finland! (Correlates with the Eurobarometer)

The union can be successful in reforming itself to address these challenges only if it has the support of its citizens. Support, however, can be generated only if the problems are brought up to an honest and serious debate in each and every Member State. To put it mildly, our national leaders have been much reluctant to foster debates on the future of the union with their electorate, President Emmanuel Macron being an outstanding exception.

The European elections next year provide a golden opportunity to make the European citizens aware of the most critical threats to our common future, and how these dangers could be met. I urge you all to demand that your leaders and candidates in the elections commit themselves to find sustainable solutions on the European level.

I do not know your views and expectations on the EU. However, by pointing out some critical issues which affect us all, I hope to release your tongues. Being here at the Military Academy, our FMA delegation would also welcome your comments on security matters in the Black Sea Region, like the war in Ukraine, cyber and hybrid threats.

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Next I shall touch upon the following problems: migration and refugees, Russia and European Security, the Trans-Atlantic Relations and the international rules based order, BREXIT, the need to improve the Single Market, stabilise the financial sector and enhance technological progress. I shall also point to some institutional hurdles and internal threats impairing the legitimacy of the union.

It is important to address every one of these issues, if we wish to consolidate the legitimacy of the union and its institutions. Some of the issues are difficult to illustrate to the public, others easier to explain. I believe the increasing pressure from migration is a good thing to start with.

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We have to recognise that **major flows of refugees and migrants have come to stay**. The pressure on Europe will not wane, and we shall have to face unpredictable peaks. Without a common policy on asylum and legal migration the EU will not be able to manage the problem in a reasonable and humanitarian way. Such a common policy would also help fighting the smuggling and trafficking of human beings.

It is also indispensable that EU can restore its ownership to its borders. A solid common border management would save the Schengen Union, which is a monumental achievement. It would also serve the fighting of terrorism and organised crime.

Considerable funds and efforts would be required to promote stability at least in Africa and the Middle East. The EU and its Member States are the biggest development aid provider, bigger than the rest of the world combined. The allocation of this aid deserves a close analysis.

The less proactive and prepared the union is to tackle the problem, the less will be the citizens trust in it. At the same time political daredevils and adventurers will get ample playground to deliver populist solutions adding to the problems. - The EU Commission's initiatives to address migration and refugee issues should be taken seriously.

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The annexation of Crimea tells us that **Russia** has scrapped the European Security Order. What is not evident to the Europeans yet, is that Vladimir Putin's Russia has in fact declared a full fledged war on the social order and the values of the EU and the liberal democratic Western societies. Not many people realise how determined, systematic and comprehensive the launched attack is, comprising military force, cyber and hybrid threats, disinformation, corruption etc.

Russia seems also to be uncomfortable with a rule based world order.

However, there is a growing insight within the institutions of the EU that Putin is seriously trying to destabilise the EU and that successful diplomacy in relation to Russia also will require a back up of hard power. Still a common strategy to confront an aggressive Russia is not in place. - A major obstacle is the energy policy on which the Member States are much divided.

Russia is the victim of an institutional instability. This is the root of the economic and social backwardness of the country and its unpredictability. Much of this institutional deficiency stems from the lack of evident rules for an orderly succession in the President's office.

A Russia with stable, independent and accountable institutions would be to the benefit of all Russians and make Russia more comfortable with itself and its neighbours. I have a dream that addressing this institutional instability one day would become a common goal uniting the reformists in Russia. It would be a good cause for the EU to try to promote that to happen.

Russia needs to find its way back from imperial illusions to 21 st century reality! (Yegor Gaidar: Gibelj Imperii. Uroki dlja sovremennoj Rossii 2006, The fall of an empire. Lessons for Russia today.)

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Economic progress is vital to enable the EU to sustain its legitimacy, confirm its values and defend democracy. Fundamental pillars for economic success are the (world's biggest) Single Market, a set of Free Trade Agreements within the framework of the World Trade Organisation WTO, educational programmes to keep the union in the forefront as a provider of high tech and unique knowledge.

The Single Market, the Crown Jewel of the EU, will suffer from a serious blow, if Britain as a consequence of BREXIT leaves the customs union.

With a population of 65 million people the UK is the third biggest Member State. In 2015 it was the second biggest contributor to the EU's budget (9,5 billion EUR) representing almost a fifth (18 per cent (16 in 2016)) of the GDP of the union.

Besides, UK has the strongest military capabilities of the Member States and is clearly in the forefront within higher education. I leave to my colleagues to further elaborate on BREXIT and its implications on the MMF (multiannual financial framework) 2021-2027 of the union.

Imminent threats to the international rule based trade order are today imposed by China, Russia and the US. We Europeans need a strong union also to defend a liberal and a fair world trade paramount to our prosperity.

Critical for us is energy security as well. Significant steps in building an energy union have been taken. However, a consistent energy strategy with regard to third countries, particularly Russia, is not in place. - I cannot understand why e.g. the ratification of the Espoo Convention on environmental cross-border implications was never required before Russia was given permission to build the Nord Stream pipelines!?

Much has still to be done to release the full potential of the Single Market. The market for digital and financial services has to be elaborated and obstacles for goods and services still remain to be abolished. A completion of the Banking Union will add to stability in the financial sector. Moreover the Euro zone suffers from deficiencies which have to be addressed soon.

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Legitimacy at stake? EU is a historic experiment. Some inherent institutional elements risk to undermine its legitimacy. The EU is a hybrid of a union of states and a federative state. This implies i.a.

- that unanimous decisions by the Member States are required in most foreign affairs matters, which significantly impairs the union's ability to act timely and forcefully in international conflicts and affairs; and
- that decisions regarding internal affairs are usually taken by votes based on ad hoc majorities, which makes it utmost difficult for the citizens to exercise democratic control. How could they figure out who is responsible for which decisions?

There is a gap between the European legal order and the national legal systems. Occasionally this creates ambivalence among the citizens and the national authorities (Kaarlo Tuori: European Constitutionalism, Finland 2015). In Finland the constitution states that the authorities have to protect the citizens. Due to an EU regulation they do not dare to extinguish predators, like wolves, roaming around in the villages spreading fear, thus giving cause to anti EU sentiments.

Ironically the principle of subsidiarity recognised by the Treaty of the EU (Art. 5(3)) has turned against its virtuous purpose. Instead of dispatching matters to the level of decision making closest to the citizens, it has enlarged the grey zone between the national and community competences!

To remedy these institutional shortcomings will be a huge task involving a revision of the understanding of the very nature of the union.

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Concluding remarks. Both Vladimir Putin and Donald Trump are forcefully engaged in building up national narratives seriously challenging the values and interests of the EU.

Will our leaders recognise the EU as a *de facto political empire* enabling the union to adopt real strategies in its external relations and to act accordingly?

Will there be solidarity and courage enough among the leaders of the Member States to confront their citizens with the true threats to our social order and the tough measures required to address them?

If the answer to these questions is no, the union's foot print in areas critical to the European citizens will be of modest size. Moreover we would be exposed to a more hazardous and dangerous world - our freedom of choice and the respect of human rights would be in jeopardy.

A no would also mean that the most irresponsible political actors would have the leeway to carry on their populist exploitation of our common legacy at the expense of the Union's legitimacy.

To avoid that to happen, let us all encourage our leaders to join Emmanuel Macron in the ambitious endeavour to make Europe great again!