



BALTIC EU CONVERSATIONS 2019

Awaiting Political Change

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AN EPILOGUE TO THE BALTIC EU CONVERSATIONS 2019
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2019 will be a year of change in the European Union (EU). Its future orientation will be determined by citizens' choices in the European Parliament elections and the following changeover in the European Commission and the European Council. New priorities will be set, hopefully backed by the agreement on the next Multiannual Financial Framework (MFF). The overall mood will fluctuate due to the withdrawal process of the United Kingdom from the EU, as well as the emergence of anti-establishment political parties in the parliaments of the EU Member States. A shift in the global balance of power and questioning of the liberal system of values will continue to form a permanent background to the EU action.

On April 5, 2019, annual Baltic EU Conversations took place in Riga, at the Parliament of Latvia, organized by the Latvian Institute of International Affairs and the European Commission Representation in Latvia in partnership with the Latvian Ministry of Foreign Affairs and the Institute of International Relations and Political Science at the University of Vilnius. Around 240 participants - policy-makers, researchers and representatives of civil society – took part in the conference, holding discussions on the internal developments of the EU and the political change that awaits Europe in the face of the contemporary global status-quo. This paper presents the key themes, ideas and considerations that emerged from the conference.¹

POLITICAL RENEWAL OF THE EUROPEAN UNION

With Brexit still looming, anti-EU and populist sentiments continue to rise across the Member States. However, despite years of sociopolitical turbulence throughout the EU, its core priorities remain the same. The EU is a strong, integrative union, which facilitates strategic alliances, whilst all challenges currently being faced require “togetherness” and a “Europe, which works”, requesting more inter-state communication and cooperation in political, economic and technological matters.

Listening to citizens should be decisive in finding solutions for the future of Europe. More activity is requested in areas of intra-EU and international trade, migration and management of perceptions regarding migration, as well as defence cooperation and foreign policy. Investment in EU defence and security must be increased, whilst opening up dialogue on a unified military industry. During this time of change, the EU must promote solidarity and emphasize the importance of democracy among its Member States. As well, the EU may foster integration efforts, yet at the same time the Member States should not forget about their national responsibilities.

Nevertheless, inter-state competitiveness still dissects the union, as the larger western countries continue to exclude themselves from fair competition with the smaller EU nations. Member States must work together, and encourage one another, to maintain the EU's position as a global superpower, and as the world's biggest trading block, whilst taking into account the global context (rules based global order) and the rules of the Single market. “Fair competition” and “fairness” in general is “the only way for the EU to survive”.

THE MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027: A WORK IN PROGRESS

The shape of the next MFF is yet to be decided. Each EU Member State has its own priorities, which, along with Brexit, migration crisis and security challenges, makes the negotiation process more complex than ever. The currently proposed budget seems to be too small for all priorities. Yet, should each Member State contribute more to the MFF or should additional “own resources” be established to ensure that the EU budget delivers all that was promised to its citizens?

When working towards a new MFF, it is essential to create a shared objective that addresses budgetary issues and focuses on performance, rather than simply seeing the current framework as a basis to attract more money to particular economy. Besides, national preparations are needed, reflecting the priorities and the planning process of the Member States.

¹ Full video and audio recordings of all sessions are available here: <http://www.liia.lv/en/news/insight-into-baltic-eu-conversations-2019-awaiting-political-change-786>.

The long-term budget currently seems to shape the political agenda, whereas it should be an instrument used to enable it. Therefore, prioritization is a key to ensure the fulfilment of political goals, whilst major spending schemes must be monitored and compared. Since the first MFF the components of the EU have evolved drastically, thus it is necessary for this tool to be modernized. For example, why exactly should a seven year budget cycle be the point of departure? Is it stability or flexibility, encouraged by democratic discussion process that is more important? In this context, the issues of responsiveness and accountability are important.

2019 is a year of change thus the MFF must be agreed on being much more flexible and dynamic to account for potential disruption, i.e. the exit of a key member state, or crisis. As well, its conditions have to be fair with regard to all Member States, be it the rule of law or respecting the budget deficit.

EU TACTICS IN A TIME OF “TRADE WARS”

Trade (competition, state aid, mergers) is actually the only area, where Brussels “decide”. Yet national politicians tend to blame Brussels for every decision, which is bad or they cannot take credit for.

Nowadays, the international trade system is in trouble. The World Trade Organisation (WTO) has been unable to reform for years, and the US President Trump just gave a final push to this process. Nevertheless, Trump’s activities with giving up earlier agreed agreements provide a qualitatively new push in bringing up issues of functioning, fairness and efficiency of international trade agreements.

“Trade wars” can be seen as sign of superpowers becoming weaker. Europe has to admit that all major players in the market are ready for conflict because they expect to benefit from it. For them, Europe is rather a “playground” than a player itself. Europe must keep its ally – the US – and set the “red lines” against totalitarian countries to preserve a rules-based international trade system and high standards. In this context, the proposed Transatlantic Trade and Investment Partnership “should be kept alive”.

EUROPEAN DEFENCE STRUCTURES: A PROGRESS IN THE MAKING

The Baltic nations, and indeed all EU member states, have long shared their skepticism on the development of European defence structures and an inclusive, coherent European security and defence policy. In recent years, there has been a breakthrough in global strategy and defence structures, whilst a clear link can now be drawn between European funding and defence structures. These developments are very much supported by European society. In fact, the 2018 Eurobarometer survey demonstrated that 75% of the general public are in favour of the development of the defence policy, coming second only to the free movement of EU citizens.

Nevertheless, the implementation of effective defence strategy and policy developments faces many practical issues. Defence means real capabilities, weapon systems and international engagement. However, the ongoing discussion is perceived as unproductive, and even “anti-American” due to the constant comparisons between EU and US security and defence funding. Despite this, the European defence fund has allocated fifty million euros to the current budgetary period; one third of what the US have invested. Perhaps there is not a need to invest more, but to invest better. The biggest challenge is the lack of strategic vision and political will. There are many structures and processes in place, but what the depleted European defence needs are strengthened and developed capabilities, built on the understanding of contemporary threats.

When concerning security and defence, timing is very important; the US are currently adjusting to a time-frame of 10-15 years. PESCO will be needed in the long-term but cannot be deployed in this short period. Thus, again, capabilities must be enforced to enhance defence structures, it does not matter who we buy from, what matters is the protection of the people.

The EU may well need to protect itself, thus there must be increased inter-state communication regarding the transformation of world violence and the varying visions and strategic landscapes

of the 28 EU member states. National identity continues to be very important and the perception of an EU army is not rooted in societies. The EU must close the gap between what it does on the ground and the rhetoric that goes along with this to gain inter-state belief. In a changing global context, including matters such as Brexit and the consolidation of Trump's administration isolationism, one must remember that NATO was built on the remnants of war, colonialism and extreme nationalism whereas now human rights must be at the centre of all military action. Old, state-centred visions cannot be allowed to prevail over new realities. The EU's allies and enemies must be considered, as well as strategic autonomy. The level of governance with regards to CSDP and European defence structures will improve with increased solidarity and cooperation.

THE EUROPEAN INFORMATION AGENDA AND MODERN DEMOCRACIES

The development of information and communication technologies has become the backbone of political change, further facilitating dialogue between national governments and the general public. This new era of political agendas being pushed through social media campaigns brings with it the increased fragmentation of the communication space, polarized societal opinion and a need for more legislation. Fake news and disinformation influences public opinion and accelerates change. For example, it has led to opinions towards migration becoming very hostile very quickly.

EU nations are not homogenous; each country is being presented with different biases on the same matters through national media outlets. There must be cooperation between the EU and the national level. Increased cyber-security, fact checkers, and improved education in media literacy are required in order to combat populism, xenophobia, anti-Semitism and so on.

Furthermore, the private sector must be mobilized with regards to censorship and raising social awareness. Finally, third party involvement in elections must be addressed further. External interference is a serious danger to democracy, given that voting is based on liberalism, and elections are freedom.

THE EU AND THE US: A FRIEND IN NEED IS A FRIEND INDEED?

The EU and the United States (US) tend to disagree on many matters; however, they are entirely in agreement with regards to Russia, which will keep them together unless Russia changes. Some kind of solidarity from the EU side is expected also regarding China, as it is difficult for the US to adapt to a world, in which it is not the only superpower.

In general, President Trump embodies American "anti-Americanism" and goes forward with "mercantilization" of transatlantic relations, which globally provokes fragmentation and suspicious relations. For unknown reasons, Germany has evoked particular antipathy of the US President. In such circumstances Europe can opt for its strategic autonomy or sovereignty, new multilateralism (closer ties with Canada, Japan) or bilateralism. Yet things may change with Trump's potential departure. Though "post-Trump America will not be pre-Trump America" some kind of resumption of economic multilateralism and with regard to climate concerns may take place.

Nevertheless, any disputes between the US, China and Russia would significantly impact the EU economically and politically, therefore it is necessary to preserve the transatlantic link, and some country, i.e. Latvia should take the role, long executed by the UK, of the "shock absorber".

CONCLUDING REMARK

The EU faces challenges yet also deliberates them, thus providing everyone with a chance to live in "democracy in action". What is needed further, is management. Management of risks in the zero-sum world. Management of expectations in the conditions of limited resources. Management of perceptions in the world of fragmented information and fake news. It is what the EU is about.