

Latvian European Union Pre-Presidency Conference  
**MOVING THE UNION FORWARD:  
Involvement, Growth, Sustainability**

# REPORT

December 4, 2014, Rīga

with the support of



Fritz Thyssen Stiftung  
für Wissenschaftsförderung

the Eastern Partnership  
discussion supported by



## Rapporteurs:

**Rihards Bambals, Eva Bērze, Andris Čegodajevs,  
Annija Emersone, Ieva Igaune, Katrīna Pētersone,  
Ilze Rence, Jevgēnijs Rjaščenko, Elīna Stungrevica,**

Latvian Institute of International Affairs

**Lelde Čukure,** University of Cologne / Maastricht University

## Editor:

**Diāna Potjomkina,** Latvian Institute of International Affairs

The opinions reported here are those of the authors and do not necessarily reflect the positions of the Latvian Institute of International Affairs or any other institution. Please note that this is a summary, not a verbatim report.

# Contents

---

<b>A Note from the Editor</b>	2
<b>Opening, Priorities of the Latvian EU Presidency, and Keynote Speeches</b>	3
<b>PANEL I. Citizens' Concerns in a Stronger EU: The Sustainability of Institutional and Economic Developments</b>	6
<b>PANEL II. Towards a Common Voice in the International Arena: Transatlantic Partnership, Development Cooperation, International Trade, and Security</b>	9
<b>PANEL III A. Public discussion "Towards the Riga Summit: Eastern Partnership as a Community of Values or Interests?"</b>	12
<b>PANEL III B. The European Energy Policy: Will the EU Speak with One Voice on Energy Issues</b>	15
<b>PANEL IV A. Going Beyond the Eastern Partnership: Central Asia as a Priority of the Latvian EU Presidency</b>	17
<b>PANEL IV B. The Digital Market – A Driver for Promoting Growth and Jobs?</b>	21
<b>Concluding Remarks</b>	24
<b>THESEUS Award Ceremony</b>	25
<b>Recommendations from members of the TEPSA network to the Latvian Presidency</b>	26

## A Note from the Editor

---



This report sums up the discussions of the Latvian EU Pre-Presidency Conference “Moving the Union forward: Involvement, Growth, Sustainability” that took place in Riga on 4 December, 2014 – less than a month from the start of the Presidency. The aim of the conference was to shed light on the most vital and innovative priorities of the Latvian Presidency of the EU Council, and to provide a forum for independent and candid discussions among leading Latvian and European experts and policy-makers.

The aim of this report, then, is to offer a textual summary of the conference and some additional analysis by the next generation of experts – still early into the Presidency term. The report also includes recommendations for the Latvian Presidency elaborated on by the Trans European Policy Studies Association (TEPSA) – a pan-European think tank and a crucial partner and initiator of this conference.

Using this opportunity, the Latvian Institute of International Affairs would like to express its most sincere gratitude to the conference partners – TEPSA and THESEUS – and to the organizations that provided essential support, namely the Fritz Thyssen Foundation, the European Commission representation in Latvia, the European Parliament Information Office in Latvia, and the Latvian EU Presidency. We also thank the students and young researchers who have authored this report.

Diāna Potjomkina, Rīga, January 2015



## Opening, Priorities of the Latvian EU Presidency, and Keynote Speeches<sup>1</sup>

The Latvian European Union Pre-Presidency Conference “*Moving the Union Forward: Involvement, Growth, Sustainability*” was opened with a presentation of the Presidency Priorities by **Inga Skujiņa** (Latvian Ministry of Foreign Affairs), and a keynote address by **Lolita Čigāne** (Latvian Saeima [Parliament]). Participants were also addressed by **Andris Sprūds** (the Latvian Institute of International Affairs); Jaap de Zwaan (Erasmus University Rotterdam, the Netherlands, TEPSA Board); **Frank Suder** (Fritz Thyssen Foundation, Germany); and **Andris Kužnieks** (European Commission Representation in Latvia). The opening section concluded with the TEPSA Recommendations to the Latvian Presidency presented by **Michal Kořan** (Institute of International Relations, Czech Republic).

In the introductory speeches, the Latvian Presidency was looked at from different perspectives: the Latvian government’s, the Latvian parliament’s, and a Europe’s. The main signal sent by Latvian speakers was that of excitement, enthusiasm, and preparedness for the Presidency. Professor **Jaap de Zwaan** from the TEPSA and THESEUS board congratulated Latvia for its ambitions, by saying “it seemed as if Latvia was the founding father of the European Union”.

Under-Secretary of State for European Affairs of the Latvian Ministry of Foreign Affairs (MFA), **Inga Skujiņa**, outlined the challenges, objectives, and means of the Latvian Presidency. First, Latvia will have to cope with geopolitical and security challenges that are mainly posed by the situation in Eastern Ukraine and in Southern Europe. Second, there are internal problems in the EU to solve: uneven economic development of member states and a lack of unity. The two main objectives of the Presidency are to fully overcome the economic and financial crisis, and to promote security, stability, and development in the world. In order to achieve that, the Latvian Presidency focuses on three themes: a competitive Europe, a digital Europe, and an engaged Europe.

There is a wide range of means planned, in order to move towards each of the aforementioned Europe(s). In regards to competitiveness, the Presidency will work on the facilitation of investment. It will focus on promoting trust in a digital single market, and on improving cyber security. For fostering an engaged Europe, the im-



Lolita Čigāne. Credit: ES2015.LV

portance of the Eastern Partnership will be reaffirmed, and at the Riga Summit a way forward to strengthen this partnership will be set. Also the establishment of various cross-border ties with Central Asia is high on the agenda of the Latvian EU Presidency.

To complement the position of the Latvian government, **Lolita Čigāne**, chair of the Saeima’s European Affairs Committee emphasized the importance of her Committee and of the Latvian Parliament as a whole for the decision-making process in EU politics. A full engagement of different institutions was definitely

<sup>1</sup>Full video on  <https://www.youtube.com/watch?v=PxmBPI3mlmw>



Frank Suder. Credit: ES2015.LV

a must for a successful Presidency and as **Andris Kužnieks**, representing the European Commission in Latvia, rightly noted, priorities of the Latvian Presidency match those of the new European Commission to a very large extent. The conference was also addressed by Dr. **Frank Suder** from the Fritz Thyssen Foundation, in Germany, who supported the statements of the earlier speakers by pointing to the importance of valid and reliable relations among the EU partners. He stressed that the EU should work on shaping a European society that shows unity while respecting members' different cultures and historical backgrounds.

**Michael Koran** from the Institute of International Relations (IIR) Prague, Czech Republic, presented recommendations to the upcoming Latvian Presidency prepared by Iain Begg, Gianni Bonvicini, Gunilla Herolf, and himself.<sup>1</sup> The recommendations were developed to be "*brief, concrete, and realistic*" and to converge with

the Latvian Presidency priorities.

In the context of the work done by the Justice and Home Affairs Council, TEPSA first recommends the Latvian government to resolve common asylum system questions and to reach an agreement on this contentious issue. Second, there is a need in the field of Economic and Financial Affairs to launch - with co-funding from the EU budget - a programme that boosts renovation of housing to reduce energy loss during the Latvian Presidency. This programme will give a rapid stimulus to construction while simultaneously improving energy efficiency. Third, by acknowledging the latest geopolitical developments in the region and shortcomings of the European Neighbourhood Policy, as well as the EU's failure to realise strategic partnerships with third countries and by calling into question many of the core assumptions of EU foreign and security policy, TEPSA advocates a European Global Strategy (EGS) instead

<sup>2</sup> The full text of the Recommendations is republished at the end of this Report. TEPSA Background Paper on the Latvian Presidency is available at <http://iia.lv/en/news/tepsa-recommendations-to-the-latvian-eu-presidency/>

of one primarily focused on the EU's neighbourhood, and recommends to support the newly-appointed High Representative in the drafting of a revised EGS, as well as to set a target for the planned European Council meeting in June to agree upon this strategy. Fourth, by recognising the threats affecting cyber space and by acknowledging Latvia's advanced experience in this field, the country is encouraged to bring forward specific proposals for improving cyber security at the EU level. Related to the outcome of the latest parliamentary elections in Moldova, TEPSA believes that the EU should make clear that it welcomes fair and democratic elections and that the EU Presidency should be ready to assist the new government in Moldova to carry out all necessary reforms. Fifth, in the interests of rebalancing the institutional mix and in taking into account this issue has been highlighted by the Presidents of the Commission and the European Parliament, TEPSA proposes the development of a series of inter-institutional agreements among the main organs of the EU (including the ECB, the Court, etc.), with the purpose of rendering the whole system more legitimate and accountable.

TEPSA in their recommendations has managed to give specific instructions on what has to be done to overcome some of the challenges in the European context during the Presidency. Even though Presidency priorities are set wide enough to cover most TEPSA recommendations and some common issues like cyber-space threats, making the European Union more united and EU energy policies, it is doubtful that Latvia is ready to address issues relating to the abovementioned concerns and to work on the Union's legitimacy and accountability. Addressing the prolonged common asylum system question is not a priority of the Latvian Presidency. It will thus be interesting to see, if Latvia will look more broadly on this and further matters that are not so important to it, as they are for others in the Union.

The priorities of the Latvian EU Presidency are very similar to those of the European Commission: most importantly, there is a common focus on establishing a digital single market, on boosting investment, and on promoting cooperation with its European neighbours. However, the Latvian EU Presidency also pays special

attention to Central Asia, which is not a high priority of the European Union. Having an additional initiative is in no way negative for Latvia. Actually, the rotating Presidency of the EU is a perfect instrument for such a small country to have its say in European politics.



## PANEL I. Citizens' Concerns in a Stronger EU: The Sustainability of Institutional and Economic Developments<sup>3</sup>



From left to right: Višnja Samardžija, Adriaan Schout, Lolita Čigāne, Kārlis Bukovskis, Ramūnas Vilpišauskas, Loukas Tsoukalis.  
Credit: ES2015.LV

The first panel, chaired by **Kārlis Bukovskis** (Latvian Institute of Foreign Affairs), gathered **Lolita Čigāne** (Saeima of the Republic of Latvia), **Loukas Tsoukalis** (Hellenic Foundation for European & Foreign Policy ELIAMEP, Greece), **Adriaan Schout** (Institute of International Relations 'Clingendael', the Netherlands), **Ramunas Vilpišauskas** (Institute of International Relations and Political Sciences, Lithuania), and **Višnja Samardžija** (Institute for Development and International Relations IRMO, Croatia). It also featured a written address by **Valdis Dombrovskis** (Vice-President, European Commission, Euro&Social Dialogue). The concept of the panel required all speakers to address one main political and one main economic challenge that the European Union is facing on the eve of Latvia's Presidency of the Council of the EU. It also asked the speakers to identify possible solutions for these problems, and to define the role and expectations of Latvia

as the Presidency in addressing these tasks.

The discussion started with a short read-out address by **Valdis Dombrovskis** who emphasized the need for the EU to return to economic growth; giving troubling numbers as 11.5 percent of unemployment within the Euro area. Dombrovskis mentioned the digital market priority as being in line with the vision of the Commission. He spoke about the need to shift tax burdens away from the ordinary citizen and concluded with confidence that jobs and growth will return to Europe.<sup>4</sup>

The Head of the European Affairs Committee in Saeima, Mrs **Lolita Čigāne** noted that the concept of liberal democracy is being contested by other concepts in the world. She asked, whether the key to a successful European society lied in the solution on how to convince EU citizens that the EU is a good project. She emphasized the soft power tools that Russia is using to spread propaganda and manipulate events as chal-

<sup>3</sup>Full video on **YouTube** <http://youtu.be/PxmBPI3mlmw?t=52m10s>

<sup>4</sup>You can find the whole address here: <http://liia.lv/en/news/address-by-valdis-dombrovskis-to-the-latvian-eu/>



lenge for communicating the “true” EU values. Latvia, naturally, is losing information wars with autocratic regimes, since in a democracy as Latvia one cannot focus on a single goal when there are many issues on the domestic political agenda. The best practice to convince citizens was by ensuring sustainability and growth. Mrs Čigāne addressed a question from the audience about the lack of inspiration and ambition by the EU, by saying that there is an enlarged fatigue within the Union. Yet, there are still countries in the neighbourhood who look for inspiration in the EU.

**Loukas Tsoukalis’** talk stressed the deep crisis within the Eurozone and beyond, an existential crisis for the joint management of interdependence in times of growing economic divergence between countries and growing inequalities within, plus rising nationalism, and hence the rise of Eurosceptic parties. He talked in economic terms about a lost decade and the risk of a lost generation in several parts of Europe. Divisions inside Europe regarding the ways of handling the crisis are along creditor-debtor lines and also between the right and left political spectrums. The challenge is to find a more balanced approach that combines wide ranging measures of national reform with a more active use of fiscal and monetary policy. He argued we should look for ways to provide answers to deal with public discontent instead of simply denouncing populism or pretending the problems do not exist.

**Adriaan Schout** started his speech by asking what the grand narrative of the EU is. It is necessary to tell citizens where the EU is going – having in mind that politicians are not good when conveying this message. Is it centralization that the EU is facing, or are there alternative narratives – and what does this mean for member states? Mr Schout stressed the need to ask member states what to do instead of letting DGs teach them how to do their business. A question by the audience addressed the need to re-evaluate EU competences and instrument.,Mr Schout suggested to strengthen national instruments due to the bleak subsidiarity narrative.

**Ramunas Vilpišauskas** explained how the security and economic crisis has been contributing to the differentiation trend in political movements and ideas, and how it is reflected by differing member state positions.

This growing trend of differentiation in the EU makes the role of a broker of EU Council Presidency ever more challenging; Lithuania’s presidency experience shows that most activity will take place in Brussels. There are possibilities for the Latvian presidency to give its input in Eastern Partnership matters if it uses the role. Answering the question about how Lithuania dealt with the presidency, Mr Vilpišauskas mentioned the Brussels-based model of coordination, re-thinking of national vs. EU priorities, the importance of political consensus in the country on Presidency priorities and political leadership.

**Višnja Samardžija** noted that socio-economic and youth unemployment issues are the two highest concerns of EU citizens. Trust in national institutions, however, is often lower than trust in the EU. Therefore, solutions need to be found at the EU-level. Creating jobs for young people should be one of the highest priorities of the next years. It is also crucial to improve the investment climate in the EU, by making it more attractive. When questioned whether the advanced digital market will be valuable driver for creating jobs, she said that there is a corresponding potential in the digital market, but it is only one of the areas of developing competitive service sectors through which Europe could facilitate job creation.

The discussions by the panel after their single speeches, focused on the challenges that Europe is facing – among them: unemployment and anti-systemic movements, as well as parties. It later switched to debating TTIP. Whereas Mrs Čigāne mentioned the need for detailed debates on the meaning of TTIP, Mr Vilpišauskas saw TTIP as an opportunity to reduce the misbalance of security provisions through NATO and economic relations with the US, while characterising public concerns as legitimate and misinformed at the same time. Ms Samardžija stressed that the TTIP offers job opportunities for EU citizens outside of Europe.

All panellists highlighted numerous parallel tracks of problems that “the EU project” is currently facing. The challenges, according to participants, range from the economic crisis, over disparities and the divide between generations (i.e. high youth unemployment), to further growing gaps between the north and south, and

between right and left political parties. Likewise, the remarks of most panellists had to aspects in common: first, they all stressed that there are problems that should be recognized. They said that it is necessary to admit that they exist in order to come up with plans for solving them; the participants didn't necessarily have solutions for these problems. Second, they said that Europeans need inspiration - a narrative that explains where the EU could be heading to regain the trust of political and economic institutions. However, the approach needs to be "bottom-up", i.e. come from EU member states, instead of being invented and "grown" in Brussels.

Even though speaking with one voice is challenging for the EU, the Latvian presidency should make sure that even the "lowest common denominators" of the member states are conveyed in a coherent manner. The challenge for the Latvian presidency would be to eliminate national concerns and focus on building a common stance within the EU in dealing with the situation in Russia. Speakers from the Baltic States focused more on the immediate neighbourhood of the EU and challenges that exist in this regard, mentioning the importance of the Eastern Partnership and the fact that there are still countries outside the EU, who seek inspiration when looking at the EU.

The panel missed one rather significant point (and probably did it intentionally in order to not discourage the upcoming Latvian Presidency). The participants did not emphasize that problems regarding the EU's internal dynamics are neither new nor completely solvable during a six month rotating Presidency. It is because such issues as "the EU narrative", "trust in EU institutions", "integration of the south with the north", or "the old with the new", have been at the core of discussion within the European community ever since its creation, and with every new accession and treaty they have expanded. Moreover, speakers of the panel talked about general trends and tendencies without giving specific guidelines on what needs to be done by the Latvian presidency to resolve any of the afore mentioned concerns. They also may have missed that the solution for a joint narrative does not need to be reinvented because values as peace, stability, and welfare - created by a joint mar-

ket, and the free movement of goods, services, capital, and people - are everlasting and still relevant. What is needed, however, is a joint recalibration of resources based on shared, commonly defined interests, and a threat assessment, that should be based on these values. The role of the Latvian Presidency of the Council of the EU, therefore, could remind people who are in need of inspiration of the European values of peace, stability, and welfare.

## PANEL II. Towards a Common Voice in the International Arena: Transatlantic Partnership, Development Cooperation, International Trade, and Security<sup>5</sup>



Hanna Ojanen and Gianni Bonvicini. Credit: THESEUS

The panel, chaired by **Gunilla Herolf** (Swedish Academy of War Sciences & TEPSA Board) gathered **Andris Piebalgs** (former Latvian Commissioner for Development & Energy), **Federico Steinberg** (Real Instituto Elcano, Spain), **Andres Kasekamp** (Foreign Policy Institute, Estonia), professor **Hanna Ojanen** (University of Tampere, Finland), and **Gianni Bonvicini** (Istituto Affari Internazionali, Italy). The EU affairs experts tried to answer pressing questions on the EU's global political role, strategic priorities, and the likelihood of achieving a unified foreign policy. As a result, experts deliberated three thematic blocks: EU sanctions and their response to Russia's aggression at large; the review of the European Security Strategy (2003), and the global context and agenda of EU politics (i.e. TTIP, post-2015 agenda, as well as climate and energy security).

**Federico Steinberg** continued the discussion introduced by the first panel at the conference, and under-

lined once more the geopolitical importance of TTIP and the necessity to achieve progress in the negotiation talks before the US 2016 presidential elections. Mr Steinberg mentioned that TTIP issues are linked to defining common rules for the EU and US since both have different regulatory cultures. The best that we can hope for is a limited agreement in fields of common interest, for example in the Digital Economy. By claiming that the American decline is not solely an American, but also a European problem, Mr Steinberg stated that the EU and US should speak with a common voice within the international arena. Another issue linked to this one is the necessity for the EU to lead the global process in creating "GATT 2.0".

Estonian professor **Andres Kasekamp**, invited attendees to prioritize the European continent as a whole to safeguard control over it in the time of the Ukraine crisis, which should be regarded as a threat to Europe as a whole instead of a local post-Soviet

<sup>5</sup>Full video on [YouTube](https://www.youtube.com/watch?v=DNqhexFQnZw) <https://www.youtube.com/watch?v=DNqhexFQnZw>



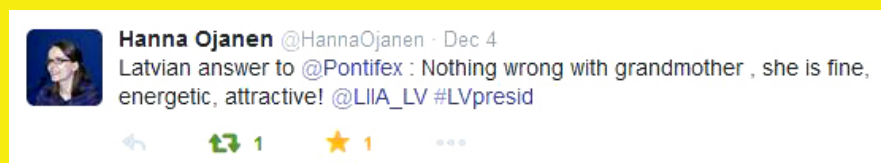
conflict. Likewise, according to him, the emerging phenomenon of Russia defending “*Russian-speakers*” abroad, capitalizing upon “*Russian civilization*” and using media as “Russia Today” or the news agency “Sputnik” for spreading hatred and intolerance, has wider consequences. Professor Kasekamp provoked thought by questioning the long-term perspective of Russia’s actions, despite the fact that they could be successful in the short-term. He claimed that we should not forget that Russia is a declining power in comparison with China, which is a rising one. What would happen if China used the same logic in its region as Russia uses in its neighbourhood?

The professor highlighted the positive effects of EU sanctions against Russia that not only deter the Empire from larger scale aggression in Ukraine, but also show that the EU can act with a common voice. Mr Kasekamp approved of the European unity towards the sanctions and the necessity to continue imposing them, with the Baltic States and Poland having a moral authority to gather the necessary support (their economies suffer the most, but they continue being the largest supporters).

Both **Hanna Ojanen** and **Gianni Bonvicini** implied that the EU should update its European Security Strategy (ESS). In line with the idea about the updated ESS, Mrs Ojanen stated that the EU is often defined by others rather than by itself and that it therefore has to react to the interpretation of others and to their vocabulary. While she invited others to think about the role of public diplomacy and strategy as well as about the necessity to update the narrative by explaining what the EU stands for (internally and externally), Mr Bonvicini called for a complete redrafting of European Foreign and Security Policy (not just a revision of the ESS). According to professor Bonvicini, such a redraft should include several elements:



- a focus on neighbours and “neighbours of neighbours”, using the comprehensive approach that currently lacks in military capabilities, because concerns about the EU’s Neighbourhood Policy are broader and do often spill over to countries that are not covered by the common policy;
- revise the concept of EU Strategic Partnerships (as it is currently not working);
- attain balance of power in the European Council (taming German dominance regarding all issues linked to Russia);
- change EU internal procedures and mechanisms, HR/VP (Mogherini) should work more closely together with the President of the European Council (Tusk) and EU Ministers of Foreign Affairs, and the role of the VP inside the Commission should be more active.



Lastly, ex-Commissioner **Andris Piebalgs** outlined three points explaining why there is a need for a common voice in the EU: to deal with conflicts, to protect human rights, and to improve Europe’s own prosperity. Later, Mr Piebalgs underlined three blocks of particular importance for the upcoming Latvian Presidency: 1) be well prepared for the post-2015 development agenda conference (focus on accountability and on monitoring



the implementation of agreed goals and proper financing of the Official Development Assistance (ODA) by at least 0.7 percent of Gross national income (GNI); 2) achieve progress regarding the Eastern (focus on differentiating the partners) and the Central Asia Partnership; 3) support the HR/VP when windows of opportunity open due to country disputes with Russia, Syria, and others.

Even though the panellists offered their insights, on what should be improved to achieve that international actors speak with one voice in the international arena, they still lack on clarity about who should be the one to speak – the EU, the US, or the UN? Within the EU it is the role of the High Representative to convey the EU's common position, if member states have miraculously formed one, but who speaks for the West in a broader setting? And even more importantly: how could the diverse West define a common stance?

Despite the fact that there may exist a conceptual unanimity within the EU on questions of the need of a greater scope of cooperation in international security, economic prosperity, or even foreign affairs, there is a visible lack of a common voice. A reason might be that single questions concern particular member states and their national interests, such as in the case of France and its Mistral deal with Russia, or of Germany and their close energy cooperation with Russia etc. The panellists made clear that speaking with one voice is possible - at least on a regional level, with the Baltic States and Poland drawing a good example for the rest of the EU, or even for the broader "West".

The panellists mostly agreed that Russia's aggression in Ukraine throughout 2014 has to be seen in a wider context of the EU's global repositioning, which includes rebuilding its foreign and security policy at large. The panellists also made clear that Russia's aggression in Ukraine makes EU members more united in achieving such an ambitious goal. Therefore, the momentum should be used, and a new foreign or security strategy (or both) has to be created and adopted by the European Council in June 2015. If the process has not yet started, however, it may seem quite unrealistic to finish and agree upon a "European Security Strategy 2.0" by

this date. Moreover, a new joint threat assessment may not be enough, because security has coalesced with other internal and external dimensions of EU policies. To remain globally relevant in the next 5, 10, 15 or more years, the EU will have to draft a common strategy. In the first place, however, it needs to be a foreign policy strategy with joint interests in EU external affairs, whereas security and defence take a back seat. Therefore, the process of crafting a strategy will not be easy, but the European Council in June 2015 could finally commission it to a group of "wise-men" representing all EU politico-geographical regions (similar to the management of the NATO Strategic Concept (2010)). The Latvian Presidency of the Council of the EU will have an opportunity to finally make it happen.

## PANEL III A. Public discussion “Towards the Riga Summit: Eastern Partnership as a Community of Values or Interests?”<sup>6</sup>



Discussion panel

The III A parallel panel – a discussion sponsored by the European Parliament Information Office in Latvia and dedicated to the annual Sakharov Prize – was chaired by the director of the Latvian Institute of International Affairs, **Andris Sprūds**, and gathered **Linas Kojala** (East Europe Studies Centre, Lithuania), **Doris Wydra** (Salzburg Centre of European Union Studies, Austria), **Irina Kuzņecova** (Foundation for an Open Society DOTS, Latvia), **Juris Poikāns** (Ambassador for the Eastern Partnership, Latvia), **Marta Rībele** (European Parliament Information Office in Latvia), and **Fabrizio Tassinari** (Institute for International Studies, Denmark). The panel posed the following questions: What future developments can the EU introduce and what can we expect from our partners? How does the Sakharov vision of values (such as human rights, free-

dom, and democracy) go together with the immediate needs of security and economic development? Can we expect ever greater convergence between the visions of development by the EU and its Eastern neighbours?

**Andris Spruds** opened the panel by emphasizing, - with regard to the fact that the Eastern Partnership is one of the Latvian Presidency's and of the European Council priorities - that issues as human rights and democratization in Latvia's neighbouring countries to the East ask for a very timely debate. At the moment, the Eastern Partnership is even more crucial because of the dramatic events in Ukraine. The daily politics of engagement could evolve into wider geopolitical challenges, and thus the hope to stabilize our Eastern partners is a crucial issue. What's next after the Riga Summit? Are there any future membership prospects for Eastern

Partnership countries? What is Latvia's position on the important challenges our Eastern partners face? This debate attempted to answer these questions and provided more insight into the corresponding issues.

**Linas Kojala** explained the target of signing the Association Agreement with Ukraine, Moldova, and Georgia have so far not been successful, which puts the EU at the crossroads. There are three possible scenarios he sees for the EU at, and after, the Riga Summit. The first, and the most negative would be, if the EU took the responsibility for the events in the Eastern partner countries, stating it was too active trying to democratize these countries. In the future this could evolve into a more pragmatic approach towards Russia with a focus on economic and energy issues. This would also send the message that these countries are limited in their sovereignty. If there will be no bold decisions taken at the Riga Summit, and if there will be no consensus between EU countries, this would become the second "muddling through" scenario. Contracts would be delayed and any membership prospects as well. The most optimistic scenario Mr Kojala sees are new incentives and a clear roadmap on how to develop relations set at the Riga Summit. This scenario is, unfortunately, unlikely since he sees a lack of incentive for the EU countries to implement the EU's reforms and initiatives.

In her speech **Doris Wydra** added that indeed the results of the European Neighbourhood Policy (since its creation in 2004) have been limited, and that ten years later, it is a source for conflicts in the South and in the East; the Ukrainian conflict is proof of it. Policies had been created in the hopes that Russia could also adapt to some European values and norms, thus becoming a real strategic partner, but the events in Ukraine have shown that this is not the case. So, the EU's normative power is challenged in the neighbourhood. European neighbourhood countries do not see a clear perspective for membership in the EU, and citizens of these countries cannot state definite benefits of being part of the Union. So, without a clear perspective, adaption costs are too high for these countries. Mrs Wydra hopes the EU could set a new security strategy and cooperate; sanctions against Russia after the events in Ukraine prove that this is possible. She adds that minority protec-

tion is very important in European countries. A greater cooperation between European countries would also help to improve such policies in the Eastern neighbourhood.

The upcoming Latvian Presidency is facing many difficulties, but **Juris Poikans** believes the goals that we strive for are possible to achieve. He believes Latvia should have a lot of patience when approaching the issue of Eastern Partnership, as all reforms carried out will take considerable time in becoming successful. Signed association agreements with Moldova, Ukraine, and Georgia should transform these societies and their economies in order to make citizens' lives better. Mr Poikans adds: European countries need to carry out more development assistance and to send experts to these countries. This is also in the interest of European countries, because their neighbourhood will then reach higher prosperity levels and be more stable. The success of the Latvian Presidency and the Eastern Partnership depend on these aspects.

As a civil society activist, **Irina Kuznecova** stated that although there is a lot of critique regarding the Eastern Partnership, people tend to ignore the benefits this multilateral cooperation framework has created. We should not measure our success only by the agreements we signed, but also by the networks we created among political leadership, civil servants, entrepreneurs and civil society groups between the EU and EaP countries and among the EaP countries. It is absolutely clear that a la carte approach fits EaP more than a standardized menu, but the multilateral framework should not be entirely abandoned. She argues that the EaP Civil Society Forum strengthened cooperation between EU-EaP civil societies, leaving out Russian civil society. In a time of war, animosity and strained relations between Russia and its neighbors, it is crucially important to facilitate people-to-people contact to avoid any larger conflict in the future. She suggests broadening the EaP CSF format to include Russian civil society organisations and cooperate more with EU-Russia SCF.

**Marta Ribele** affirmed that the European Parliament (EP) plays a considerable role in promoting common values and mutual interests regarding the Eastern Partnership. Although its activities are focused on the EU as a whole, they are important for the Eastern Partnership

as well, for example, in the case of human rights issues, and association agreements with Moldova, Ukraine, and Georgia. She confirmed the EP sent a clear message by saying it will support the Riga Summit.

In the discussion's conclusion, **Fabrizio Tassinari** emphasized that, when discussing the Eastern Partnership, it is important to analyse how Eastern neighbours' governments implement different policies, and to define whether they can carry them out effectively. He believes the main focus should be on governance issues. When discussing the convergence of the EU's and Eastern partners' development vision, it is important to put more pressure on this aspect. He also thinks it is important to focus more on Eastern countries individually. Latvia's presidency could be successful, if they address this issue and the immediate needs of the security issues.

The speakers of the panel addressed questions such as the future development of the Eastern Partnership, and Latvia's role in promoting the Eastern Partnership, especially when focusing on Ukraine, Moldova, and Georgia. The speakers proposed multiple future goals for the EU and Latvia, with an overall optimistic view that European countries are capable of reaching a consensus and deliver new incentives at the upcoming Riga Summit.

This issue will remain on the political agenda until the summit itself at which important decisions should be made, if decision-makers want to further develop the initiative. Before the Vilnius Summit some researchers even pondered the possibility of Eastern Partnership (EaP) countries coming closer to join the EU, but recent developments in the region overshadow talks about this possibility. At the same time, some countries have signed association agreements with the EU, which means the EU is willing to invest into these countries but would need to propose a comprehensive plan on how to address the security issues. This could probably increase the overall possibility that new initiatives within the framework of the EaP could be advanced at the Riga Summit. As the speakers agreed, the EaP is important for both EU interests and values, because the Union needs to foster existing networks and achievements in defending democratization, human rights, and the rule of law.



## PANEL III B. The European Energy Policy: Will the EU Speak with One Voice on Energy Issues?



Credit: THESEUS

The panel, chaired by **Juris Ozoliņš**, gathered former Lithuanian Energy Minister **Jaroslav Neverovič**, Professor **Marjan Svetličič** from the University of Ljubljana, expert and Professor **Andras Inotai** (Institute of World Economics and Research Centre for Economic and Regional Studies of the Hungarian Academy of Science), and **Mirja Schröder** from the University of Cologne (THESEUS Project Manager). The panel addressed vital questions on energy security in Europe such as: What are alternative ways of securing energy supplies? How can the EU's Common Energy Policy be further improved? What is the aim of the envisaged Energy Union?

At the very start of the discussion, **Juris Ozoliņš** reminded the audience about topics such as the common energy policy of the EU, and the oil and gas industry of the EU and Baltic Sea Region, which has its flaws and therefore needs to be questioned and improved by professionals. Mr Ozoliņš also presented the actual

situation of gas supplies for the EU in the context of the current geopolitical situation in Europe. He showed that the EU imports one third (approximately 136 billion m<sup>3</sup>) from all its gas amounts (approximately 360 billion m<sup>3</sup>) comes from Russia.

**Jaroslav Neverovič** provided a well-grounded analysis of regional energy security matters together with a recommendation to the Latvian government regarding future ownership unbundling, which can be seen as a chance for the liberalisation of the energy market in Latvia. More precisely, there is no clarity about the decision for or against the separation on transmission, trade, and distribution in Latvia. It is crucial, however, to make a decision on the model of ownership unbundling in Latvia, and necessary laws need to be passed immediately even though bigger decisions on the Inčukalns underground storage facility and liberalization of the energy market are expected to be passed only in 2017.

Commenting on Lithuania's LNG (Liquefied Natural Gas) terminal, Mr Neverovič said that this is just the beginning of a long journey, but still a milestone for the region's energy sector. The immediate effects of the LNG terminal are hard to distinguish in comparison, for example, to electricity interconnectors, but it has importance in the long term.

On the "single voice question" regarding energy matters, Professor **Marjan Svetličič** implied that, in the long term, it is a desirable result, but for the short term – impossible. Therefore, the overall answer is that "it depends" on areas such as oil, gas, electricity, and others. He claimed that there is no single solution that would fit all EU member states. Moreover, he claimed that there are three barriers at the EU level for having one voice on energy. Formally it is Article 194 of the Lisbon Treaty with its shared responsibility principle. The idea of common purchasing is also in contradiction with the single market principle. The second barrier is the huge differences among countries on energy issues, and lastly, the lack of appropriate energy networks. Mr Svetličič said one voice on energy questions within the EU could only be reached when one voice in foreign policy is achieved. Finally, he emphasised, the EU energy policy is contingent with EU-Ukraine, and consequently EU-Russia relations. Hence improved (*modus vivendi*) relations also improve energy alternatives for the EU.

Institute of World Economics Professor **Andras Inotai** stated that for the short term future there are two aspects that will determine a deepening of the EU: the possibilities of a common energy policy, and the possibilities of a common migration policy. He posed the question, which way is better in regards to energy dependence – a one-sided dependence on a reliable state or dependence on states not yet considered reliable?

Commenting on the idea of a common energy policy within the EU, the professor claimed EU member states are very different in terms of their energy dynamic and therefore asked, how it is possible to create a common energy policy under such conditions? Despite their differences, there are several urgent factors which have to be addressed by member states now, i.e. interconnection among countries that do not have the neces-

sary infrastructure at the moment, eliminating monopolists and national monopolists, as well as the storage capacities of member states.

As concluding speaker of the panel, THESEUS Project Manager **Mirja Schröder** presented the Southern Gas Corridor (SGC) initiative of the European Commission as a concrete action to create an energy infrastructure to satisfy EU needs. Based on a study of the Institute for Energy Economics, University of Cologne, which takes into account storage capabilities and existing energy infrastructure within the scenario of Russia's proclaimed embargo on gas exports starting in November 2014, she concluded that within three months Russia's reduced supplies would hit Finland the hardest, and after nine months would cause severe problems in the whole region of Western Europe.

Mrs Schröder claimed that the SGC will ensure energy security and a diversification of supply resources, and that Turkey could become the key transit corridor for this project. For Turkey itself, however, it is important to ensure an independent supply of energy. Turkey has the possibility to work as a gas transit hub because the SGC is a long-term project of the EU. With regard to the expectations of the Energy Union, Mrs Schröder pointed out that internal and external policies are interlinked and that the SGC works as an important bridge between the two.

Overall, the panel addressed questions, which appear to be vital when thinking about the EU speaking with one voice on energy matters such as energy security, energy dependence, diversification of imports, and market liberalisation etc. The panellists provided useful insights from their own work and managed to cover a broad spectrum of questions and factors affecting the creation of a common energy policy of the EU. The main thought that the discussion left, however, was that there are still far too many obstacles and differences among EU members to speak with one voice. Furthermore, there is a need for clearer recommendations on how to establish a common EU energy policy, with a definite understanding on how to substitute Russia's gas, and on what the costs for smaller and more vulnerable EU member states would be.



## PANEL IV A. Going Beyond the Eastern Partnership: Central Asia as a Priority of the Latvian EU Presidency



From left to right: Katrin Böttger, Sabina Lange, Igors Apokins, Neil John Melvin.

This panel was chaired by **Sabina Lange** (European Institute of Public Administration, Netherlands) and gathered **Katrin Böttger** (Institut für Europäische Politik, Germany), **Igors Apokins** (Ministry of Foreign Affairs of the Republic of Latvia) and **Neil John Melvin** (Stockholm International Peace Research Institute, Sweden). Over the last few years Central Asia has returned to the EU's map of world politics. To a great extent this was driven by Latvia's efforts. The upcoming presidency plans to focus on aspects such as security and stability, border management, economic development, transit and transportation networks, and education. The EU's Central Asia strategy will also be reviewed. Thus, panellists discussed: Why is this region increasingly important for the EU and on which sectors of cooperation should the EU focus? What are main challenges to overcome? How do the EU get not only EU

members on board, but also major international players?

**Sabina Lange** began the discussion with a quote from Sir Halford Mackinder's 1919 book *Democratic Ideals and Reality*: "Who rules East Europe commands the Heartland; who rules the Heartland commands the World-Island; who rules the World-Island controls the world", referring to Central Asia as an important region of the world, which is becoming more relevant (and by that more significant) to EU foreign policy. Central Asia will be one of the priorities of the upcoming Latvian Presidency, but at the same time this region remains problematic. Mrs Lange outlined some of the problems that the EU will have to address while engaging in this region like socioeconomic problems, coming from the fact that most, if not all, Central Asian countries have authoritarian regimes with little regard to the rule of law and human rights. Other challenges include geopolitical

and security challenges stemming from the situation in Afghanistan after 2014, as well as pressure from Russia, regional cooperation, and water and energy issues that the region might face in the foreseeable future. 2015 will be the year in which the EU will review and renew its Central Asia Strategy, originally created in 2007 during the German Presidency. The Latvian Presidency will have an important role in shaping and implementing the new Central Asia Strategy. Mrs Lange posed three questions needing answers for this discussion: Does the EU have the capacity to work successfully in CA countries? Can the upcoming Latvian Presidency have that reach? What is the rotating presidency's role in foreign policy making?

The first panellist to speak, **H.E. Igors Apokins**, who for many years has worked as an ambassador in the region representing both Latvia and the EU, noted that even though Central Asia is seen as less relevant compared to the Eastern Partnership countries, it should not be forgotten. Continuing with the points made by Mrs Lange, he explained that Central Asia is of geostrategic importance, and that security in this region is in the interests of the EU. Beyond the security significance, Central Asia has a major economic potential operating as a bridge between Europe, China, and East Asia. He also noted that the EU's past approach to Central Asia has identified the right priorities, but additional political support is needed to achieve the necessary goals.

Over the years Latvia has demonstrated its expertise on the Central Asian region, as well as building reliable contacts with governments in the region, all of which improved the EU's relations in the area. Elaborating on the priorities of the Latvian Presidency, Mr Apokins said that the EU has shifted its focus towards security in the wake of the International Security Assistance Force's (ISAF) withdrawal from Afghanistan. The political aspect of this is seen in the recently started EU-Central Asian Security Dialogue, as well as in practical aspects such as border management programmes. The EU should also put more effort on areas as the rule of law, democratisation, good governance, and the protection of human rights. This should be done through bilateral dialogue and by regional cooperation within the frameworks of the United Nations (UN) and the Organi-

zation for Security and Co-operation in Europe (OSCE). Under the Rule of Law initiative dialogue an exchange of experience will be enhanced in such priority areas such as constitutional law, administrative justice, criminal law and procedure, as well as judicial capacity and training of legal professionals. A significant priority to economic and social development is cooperation in the field of education. Training of educators and improvement of education systems will be on the agenda, just as by the involvement of Central Asian countries in the Erasmus+ programme and the Bologna Process. A meeting with European and Central Asian ministers of education will be held in Riga this summer.

As Mr Apokins outlined, within the field of development economic cooperation is another priority. The EU has now closed bilateral negotiations with Kazakhstan and supports its accession to the World Trade Organization (WTO). This serves as an example that even a member of the Customs Union can develop and deepen relations with the EU. Cooperation on energy and transport issues also shows that economic diversification is important to Central Asian countries, which serve as an important transit hub to East Asian markets.

Ambassador Apokins noted that, when renewing the new EU Central Asian Strategy, it will be important to address several issues starting with the current geopolitical context and a successful assessment of the strategy. Russian and Chinese influence in the region, as well as consequences of the Ukrainian crisis will also affect developments of the new strategy. In closing, the Ambassador voiced the necessity of re-establishing the function of the EU's Special Representative to Central Asia, and continuing the work on human right issues, as well as of promoting European values through different formats of cooperation, since Central Asian countries are unwilling to participate in regional formats, which makes a bilateral cooperation is crucial.

**Katrin Böttger** continued the discussion and addressed the fact that Central Asia currently is not one of the EU's main priorities, nevertheless the EU should continue its presence in, and cooperation with, countries of this region. Representation EU values and not only its interests should also remain important since Central Asia is known for its authoritarian regimes. Another issue



raised by Mrs Böttger was the choice between engaging in the region in cooperation with other international organizations and in advancing a separate strategy. This could have implications on relations with other regional powers such as Russia, China, and India. In this respect, Central Asia could serve as a test case for strategic EU mid to long term policies; lessons learned which could later be applied to other regions in the future, especially while developing crisis management or prevention strategies as seen now with the departure of ISAF forces from Afghanistan and the crisis in Ukraine.

She also noted it is important to consider other geopolitical and economic projects being advanced in the region, such as the Russian Eurasian Union and the Chinese New Silk Road programme. This means it would be very important to consider Russia, China, and India when reviewing the Central Asian Strategy of the EU. Central Asian countries such as Kazakhstan are also viewed as potential risks, since the retirement or death of the elderly heads of these countries could create a power vacuum, which could lead to the repetition of the Ukrainian scenario. This kind of possibility should also be taken into consideration when developing a strategy for Central Asia. Mrs Böttger also mentioned the EU should differentiate between bilateral and regional approaches in the region and be flexible, because in many aspects Central Asian countries are different and should not be seen as identical. In closing, she noted the EU should focus not only on difficult issues such as human rights, but also continue working on issues where substantial progress has already been made.

**Neil John Melvin** began his speech by reflecting of the Ukrainian crisis and on how the situation there might affect EU policy in Central Asia, and the possible scenario of Russia attempting to block it. As with Mrs Böttger, Mr. Melvin identified the main EU policy priorities for Central Asia. It is important to identify the interests and then the political strategy to pursue these interests, as well as to what amount resources should be given to the Central Asia strategy, since the resources the EU has in this area are limited.

Mr Melvin criticized the current strategy by saying that, so far, it has only existed as a long list of priorities, giving the illusion of an overall “strategy” but has not stated clear

and realistic goals. He also argued the notion of a “post-Soviet Central Asia” is incorrect, and that countries of the region are each being pulled to different directions – East Asia, the Caspian region, Iran, and Russia.

He also noted, like the previous panellists, that Russia and China are the countries currently setting the agenda in Central Asia, and that they are likely to do so in the future. In this regard, the EU should have a wider Eurasian strategy instead of limiting itself only to Central Asian countries. It could be important because more EU member states would see this strategy as important and would thus support it. Mr Melvin then noted how the EU could use the Central Asian strategy to renew its relations with Russia. If the strategy does not become a tool for containing Russia, in the future, it could be the best option for cooperation with Russia in security and other policy issues. In his conclusion, he noted that results of this strategy have been very modest and it is possible the EU is currently the weakest actor in the region. Russia is the only country willing to fully commit itself to Central Asia if the region becomes instable. If this scenario happens, Russia would need considerable international support; the EU could cooperate with Russia in this regard. At the same time China will not allow Russia to become too dominant in the region. The EU should be cautious of the Russian Customs Union and the Chinese Silk Road project, since these could undermine or completely remove the EU’s presence in Central Asia. According to Mr Melvin, a dialogue with Russia will thus be important when developing the Central Asian strategy.

The discussion, after the individual panellists had spoken, revolved around issues such as whether the EU can carry out its own foreign policy, since it has weakened during the past years. Mr Melvin stated that many countries have lost interest in participating in the EU’s foreign policy since the institution of the EU’s High Representative for Foreign Affairs and Security Policy has been established. The member states of the EU have moved towards nationalizing their foreign policies, but the rotating Presidency is an important tool for directing the EU’s foreign policy. Katrin Böttger emphasized that it is necessary to carry on with the regional approach towards Central Asia, because the countries of

the region could use this format to facilitate cooperation. H.E. Igors Apokins discussed the significance of demographics in Central Asia – with over 60 million inhabitants 60 per cent are less than 30 years old; the best way to bring European values to the region is through cooperation in education. He also noted that the current cooperation in transport and transit fields between Latvia and Central Asia is very significant in the light of China's Silk Road project, where Central Asia will play an important role for the EU's and China's economic relations. In conclusion, the panellists agreed that a review of the EU's Central Asia Strategy in 2015 is necessary and a welcomed step if the EU wants to be a global player.

To sum up the panel, all speakers expressed that Central Asia is very important, not merely because it is one of the foreign policy priorities of the Latvian Presidency, but because of its geostrategic role as a connector between East and West. It was also reminded that Central Asia is a problematic region, especially with regard to its human rights record and democratization processes, since many of region's countries remain authoritarian. To address this, speakers mentioned the significance EU must give to promoting rule of law, democracy and other values, not only during Latvia's Presidency, but well beyond. To do this it is important for the EU to develop a long term strategy for the region and address the competing influences of Russia and China. Admittedly, it is crucial for the EU to build bridges with the younger generations of Central Asia, since most of its current leaders are quickly ageing, and it is important that the next generation of leaders are not only exclusively oriented towards Russia and China, but also positively predisposed towards Europe and the West in general. In this regard, the panelists were correct in noting the importance of cooperation in the field of education.

## PANEL IV B. The Digital Market – A Driver for Promoting Growth and Jobs?



In the panel, from left to right: Iain Begg and and Reinis Zitmanis

The panel was chaired by **Reinis Zitmanis** (Digital Champion of Latvia, CEO at Itero.eu Digital Marketing Agency, Latvia) and gathered **Iain Begg** (London School of Economics and Political Science, United Kingdom, TEPSA Board Member); **Arnis Daugulis** (Deputy State Secretary on ICT, Ministry of Environmental Protection and Regional Development, Latvia); **Signe Bāliņa** (Latvian Information and Communications Technology Association (LIKTA)), and **Jānis Treijs** (Reverta, Latvian Open Technologies Association). The Digital Market, highlighted as a priority field for Latvia's Presidency, could not only raise EU employment rates again by promoting economic growth, but could also be a step towards fostering the EU's single market. Even though the overall atmosphere in the discussion room

was positive, with this priority for the upcoming Latvian Presidency being very timely, there were some crucial questions that the panel speakers tried to answer, such as: What must be done to promote digital convergence in the Union? Are there any challenges for truly converting it into a driver for growth and jobs? How can these issues be overcome - and what can the EU learn from Latvia's own experience?

**Reinis Zitmanis** opened his speech with a well-known fact of the critical situation of high youth unemployment in Europe, indicating that at the same time there is a constant lack of human resources in the IT field in Latvia. He pointed out that the problem is not the infrastructure, but the fact that we are an aging society in Europe and that people in a digital society need to be



engaged and skilled. He also raised these questions: Is Europe being competitive in the Asian and US counterparts? And: Where is our “European Google”?



**Iain Begg** indicated that a single digital market is a long-standing project for the EU dating back to 1994, and that the extension of it is consistent with the network completion, but also an emerging sector of activity. Even though it is exciting, it will certainly be “disruptive technology”. Mr Begg is rather sceptical about J. C. Juncker’s predicted 250 billion euros of additional growth in Europe in his political guidelines, saying that the predicted growth in the program during 1992 did not materialize, and that: “We need some rational thinking to see, if these things really will happen”. It is not a secret that the EU has led in the past, but that nowadays Europe is lagging in global competition, whereas China and India are becoming more advanced, and that there are new threats coming from emerging economies. There is also a global competition for highly skilled labour, and cyber security is threatened in all its dimensions. In his speech he highlighted several policy challenges. First, there is a need for new approaches to regulation. Second, access to the digital market is related to age, location, and level of education – creating a digital division between the people of Europe. Third, skills are a big challenge to the digital age and, last but not least, the question of whether this could become a new base for taxation.

Mr Begg gave the audience the feeling that there are more questions than there are answers. Nevertheless, these are the challenges that need to be addressed and the following speakers, starting with Arnis Daugulis, did their best in emphasizing the most important cornerstones of this matter and in giving insights on how to operate with them.

A Digital Europe is one of the three priorities of Latvia’s Presidency, says **Arnis Daugulis**. There is no doubt that there are still a lot of problems in the digital world, but in spite of that, Latvia feels like a “*Digital Nation*”. Regarding digital priority there are three focus points: First, there is a need to make the digital single market trustworthy and to focus on data and consumers’ rights protection. Second, there is a need to provide safety and security in cyberspace. And third,

the digital market should be available to all citizens. Mr Daugulis emphasized that Latvia’s message during the Presidency will be “*Digital by default*”, by showing that every piece of legislation must fit in the digital age, and that every new service built by governance for citizens must be constructed primarily as a digital service - not vice versa. He stresses that digital transformation is the key element and that we do not only need to digitalize the process, but transform it and remember that public digitalization in Europe is about changing culture.

**Signe Bāliņa** pointed out the Latvian Information Communication Technology Association’s (LIKTA) practical role in the Latvian Digital Market. LIKTA unites ICT companies in Latvia and actively cooperates with the government and ministries. Ms Bāliņa is enthusiastic about six main priorities outlined in the LIKTA ICT Charter. The first priority is about digital technologies and infrastructure; that all citizens will have an e-address, e-ID, and e-signature. Her second priority is about the approach for e-skills and availability of digital technologies for everyone, including elderly people, and small and medium enterprises, because for small and micro enterprises there is a huge digital gap. Third, Mrs Bāliņa emphasized that Latvia already has really advanced e-government, but that there is still a necessity for further modernization. Fourth, she stressed the importance of promoting the business environment; fifth, to promote e-health. Last, the sixth priority is about cultural heritage, which will easily be accessible in the digital age. She also has a positive vision about the digital agenda and indicated that at the European Union level, Latvia is

close to achieving the target that 50 percent of European households will be using the Internet by 2020. However, Latvia is not as good at this at providing an e-environment, especially in rural areas. There are two targets set for 2015: The first is to promote bigger online buying activity. The second important target is generating trust in the online environment. In Latvia, private sectors trust investment opportunities in the IT sector, for instance in the Internet banking sector. Another point to mention is research and development: Latvia shows low investment in research development. This problem is not only nationally but exists in all European countries. At the end of her speech, Mrs Bāliņa stressed some not so optimistic opinions, for instance, that for Baltic countries there is still a lot of work needed to understand the necessity of research and development, and regarding joint processes, that Latvia needs to invest in research and development, because the country has weak points in this regard.

**Jānis Treijs** believes that open standards, an interoperable policy, and secure and efficient technologies would help in building a Digital Single Market. It is possible to look at the Single Digital Market from two different perspectives: business and consumers. Mr Treijs emphasized that when having digital ID and stuff, one also needs connectivity. He also stresses that the EU needs good, smart people to create a knowledge-based economy. To be able to use technology is not enough; EU citizens need to be creators of technology. There is the need for different skill bases, from users to programmers, inventors of new hardware, and also the need to promote entrepreneurship. Mr Treijs mentioned that we might need some changes in education, for instance, not to train programmers for American companies but to train entrepreneurs. This will bring the EU closer to a knowledge-based economy. He is pleased that digital priority is on the agenda of the Latvian Presidency and believes the open data principle and a Digital Single Market would create new workplaces in ITC and other sectors.

It is great that Latvia can call itself a *“digital nation”* and that - with all its knowledge and wisdom – it can become a leader and help the rest of the Union to become more advanced in the digital field. Latvia has shown

some good features in its success story until now, such as e-government, and is close to achieving the target that 50 per cent of European households will be using the Internet by 2020. There is also reliability in the digital world, for instance, trust in the Internet banking sector. But along with the rest of Europe, Latvia encounters universal problems, and one of these is the low investment in research development. The EU - once a leader in the global competition field – is now threatened by China, India, and emerging economies, and is encountering a shortage of highly skilled labourers, as well as cyber security threats in all its dimensions. This panel of speakers succeeded in naming some solutions which are worth listening to. First, there is a need for new approaches to regulations - *“digital by default”* legislation must fit the present digital age, and every service government makes must primarily be built as a digital service. Second, we need to make the digital market more accessible, removing the digital division between people in Europe – the digital market should be available for all society. Third, there is a need to make the digital single market trustworthy and focus on data protection and consumer rights protection, as well as the need to provide safety and security in cyberspace. Fourth, it is crucial to promote open standards as a way to success. Fifth, there is a need for smart people; instead of being technology users we need to become creators of technology. The experts also have the notion that there might be a need for changes in education to bring the EU closer to a knowledge-based economy.

Concluding this analysis, Latvia is facing many challenges in the Single Digital Market sector, but the country want to overcome them by setting priorities and implement these in practice. On the one hand Latvia seems like a *“digital nation”* and serves as a positive example, but on the other hand, this positive impression does not stand out in the European context, for instance, if we imagine a developed country in the ICT sector, we frequently associate it with Estonia or Sweden, not Latvia. From Latvia’s experience we learn that despite many challenges posed, it is worth developing and promoting a Digital Single Market. One way to implement this is through the EU Presidency. Latvia will not miss this opportunity.

## Concluding Remarks

---

Dr. Andris Spruds and Prof. Dr. Wolfgang Wessels, THESEUS and TEPESA Chairperson, closed the conference with some concluding remarks. They thanked all speakers for the fruitful exchange of thoughts and the Latvian representatives for their ambitious aims regarding the upcoming Latvian Presidency. Prof. Wessels reminded the conference participants that the EU member states needed to be “ambitious and enthusiastic, but realistic” and supposed the “Triple A” approach of Analysis, Assessment and Advice for further debates. This approach shall result in most efficient discussions on European policies and most efficient options for resolving future political challenges. He stressed again that the EU needed a “pan-European debate that goes beyond borders – in national as well as disciplinary aspects”. Talking about the future design of the EU, Prof. Wessels proposed different scenarios such as preserving the status quo, having less or more Europe, pursuing a step-by-step integration (Monnet Method) or following a differentiated integration. He named the pros and cons of each approach, leaving the de facto finalité of the EU open, stating that “debating Europe is the challenging and interesting aspect”.



## THESEUS Award Ceremony



From left to right: Wolfgang Wessels, Mirja Schröder, Loukas Tsoukalis, Frank Suder. Credit: THESEUS

At the end of the conference, the THESEUS Award Ceremony took place. THESEUS is a European network of thinkers and actors that aims at fostering an open and constructive dialogue about the future challenges of Europe between academia and politics as well as between generations.

The THESEUS Award for Outstanding Research on European Integration 2014 went to Prof. Dr. Loukas Tsoukalis, President of the Hellenic Foundation for European & Foreign Policy (ELIAMEP). He is author of numerous publications, among them “The Unhappy State of the Union: Europe Needs a New Grand Bargain” (2014) and “What Kind of Europe?” (2005), both translated into several languages and circulated by leading European think tanks.

Professor Loukas Tsoukalis in his acceptance speech made a reference to the mythological creature Theseus, the mythical founder king of Athens, by expressing the need for Europe to have the courage and wisdom, to kill the beast of economic stagnation and to escape the labyrinth of the economic crises. For professor Tsoukalis, Europe has always been identified with peace and open borders, with democracy, economic development and inclusive societies, being confident in its diversity and proud not only of its past. He believes that being critical essentially goes together with being a good European – the worst is to be complacent and uncritical.

The THESEUS Award for Promising Research on European Integration 2014 went to Joseph Lacey, a PhD candidate at the European University Institute (EUI) in Florence. He was not present at the ceremony.



## Recommendations from members of the TEPSA network to the Latvian Presidency

The Trans European Policy Studies Association (TEPSA) has the tradition to formulate recommendations to the incoming Council Presidency. These recommendations have been prepared by the following members of the TEPSA network: **Iain Begg** (TEPSA Board, London School of Economics and Politics, London), **Gianni Bonvicini** (TEPSA Board, Istituto Affari Internazionali, Rome), **Gunilla Herolf** (TEPSA Board, Royal Swedish Academy of War Sciences, Stockholm) and **Michal Koran** (Institute of International Relations, Prague). They do not necessarily represent the view of TEPSA or its partner institutes.

Michal Koran will present the recommendations to the incoming Latvian Presidency at the occasion of the TEPSA-LIIA Pre-Presidency Conference “Moving the Union forward: Involvement, Growth, Sustainability” on 4th of December 2014 in Riga. The conference is organised by the Latvian Institute of International Affairs (LIIA) in cooperation with the Trans European Policy Studies Association (TEPSA), THESEUS and the Latvian Presidency of the European Council of the European Union and with the support of European Commission Representation in Latvia, the Fritz Thyssen Foundation and the European Parliament Information Office in Latvia.

November 2014

### Justice and Home Affairs Council

The EU's member states regularly deplore the human tragedies visible every day among people seeking asylum. Yet despite a longstanding commitment to establish a common asylum system, it remains unfinished business. From both a moral and a practical perspective, we urge the Latvian government to do its utmost to achieve agreement on this contentious issue.

### Economic and Financial Affairs Council and Competitiveness Council

The Europe 2020 strategy should adopt a new strategic guideline calling on Member States to undertake far-reaching reforms of public administration, complementing initiatives to achieve better regulation and more disciplined public finances.

The high profile €300 billion investment package announced by the Commission has the potential to be part of a solution to economic stagnation in many Member States, but immediate actions are also needed. To give a rapid stimulus to construction while simultaneously improving energy efficiency, a programme to boost renovation of housing to reduce energy loss should be launched during the Latvian presidency, with co-funding from the EU budget.

### Foreign Affairs Council

Geopolitical developments are manifestly calling into question many of the core assumptions of EU foreign and security policy and have exposed the shortcomings of the European Neighbourhood Policy, and ambitions to have strategic partnerships with third countries (starting with Russia) have not been realised. In addition, the concept of a comprehensive approach in the field of external security has proved to be unworkable in the absence of a sufficiently credible military component.

It should also be emphasised that the scope of European foreign and security policy is not purely regional. On the contrary, the EU has to engage with other parts of the world, not just as a trade power but as a constructive and effective security actor. To reflect these new, hard realities, we advocate a European Global Strategy (EGS), instead of one primarily focused on the neighbourhood.

Therefore, we call on the Latvian Presidency to:

- support the newly appointed High Representative in the drafting of a new EGS (European Global Strategy);
- set a target for the planned June European Council meeting to agree a new EGS.

Threats affecting cyber space have been identified by the European Council as of growing concern, and cyber security must unavoidably be strengthened if the digital agenda component of Europe 2020 is to succeed. In view of its extensive experience in the field of digitalization and cyber security, the Latvian Presidency is encouraged to bring forward specific proposals for improving cyber security at the EU level





The conference gathered approx. 160 participants.

To avoid sending the wrong signals to Russia, the EU should make clear that it welcomes the outcome of parliamentary elections in Moldova as fair and democratic and should regard outside attempts to destabilise development after the elections as acts of aggression. The EU Presidency should be ready to assist the new government to come to carry out all necessary reforms.

#### **General Affairs Council**

The increasing prominence of the European Council in the EU's decision making, particularly in specific eco-

nomical policies, risks creating divisions between poor and rich, northern and southern, big and small countries, and also undermines the Commission's agenda-setting and leadership roles. In the interests of rebalancing the institutional mix and taking into account that the issue has been highlighted by the Presidents of the Commission and the European Parliament, we propose the development of a series of inter-institutional agreements among the main organs of the EU (including the ECB, the Court, etc.), with the purpose of rendering the whole system more legitimate and accountable.



**Andrew** @amgilmore · Dec 6

Congrats to @LIIA\_LV on a great pre-presidency event. Sessions on Eastern Partnership and Central Asia were excellent.



Latvian European Union Pre-Presidency Conference  
**MOVING THE UNION FORWARD:  
Involvement, Growth, Sustainability**

# REPORT

**Rapporteurs:**

Rihards Bambals, Eva Bērze, Andris Čegodajevs, Annija Emersons, Ieva Ig-  
aune, Katrīna Pētersone, Ilze Rence, Jevgēnijs Rjaščenko, Elīna Stungrevica,  
*Latvian Institute of International Affairs*  
Lelde Čukure, *University of Cologne / Maastricht University*

**Editor:** Diāna Potjomkina, Latvian Institute of International Affairs

December 4, 2014, Rīga