

## **6<sup>TH</sup> GERMAN-NORDIC-BALTIC FORUM**

### **Conference Report:**

### **Upgrading the German-Nordic-Baltic Partnership in the EU: Common Values, Mutual Interests and New Challenges**

Riga, 07-08 July 2014

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The 6<sup>th</sup> meeting of the German Nordic Baltic Forum took place in Riga on 07 and 08 July 2014. This year the event was organised by the Latvian Institute of International Affairs and the Institut für Europäische Politik with financial support by the Ministry of Foreign Affairs of Latvia, the German Federal Foreign Office and the German Embassy to the Latvian Republic in Riga. More than 60 experts from academia and regional think tanks as well as officials from national ministries and parliaments convened in the Latvian capital to share their views on “Upgrading the German-Nordic-Baltic Partnership in the EU”. Established in 2008, the annual Forum aims at providing a platform for debates between scholars and practitioners in a capital of one of the represented countries.

Over the course of two days the Forum comprised four panel discussions with short presentations followed by Q&A sessions on

- the Eastern Partnership;
- the Europe 2020 Strategy;
- the EU as a Foreign Player;
- and EU Institutional Challenges after the European Parliament Elections of 2014.

Instead of giving a detailed account of each panel discussion, the following thoughts seek to highlight the main themes that stretched across the sessions. In particular, these recurrent issues refer to the role of communication in EU politics, the need for fine-tuning several important EU strategies, and the question of leadership within certain policy areas.

### *Better internal and external communication*

Spanning across the different topics, the discussions time and again stressed the essential role of communication in EU politics. Several speakers pointed out that this task pertains to both an internal and external dimension. Internally it is important to consistently discuss the political, economical and social fundament of the European project and possible future trajectories. At the same time the signalling of substance and purpose of EU external objectives has been and will become increasingly relevant vis-à-vis other actors for attaining understanding, or at least establishing clarity.

Arguably the most prominent example for the obvious need of a more sophisticated internal communication is the rise of EU-sceptic and populist parties in the course of the last European Parliament elections in May 2014. The increasing prevalence and acceptance of slogans against the EU and its core values points at the very least to a deep-seated confusion and misunderstanding about the *raison d'être* of the EU among the populations across the continent. Regardless of political responsibilities for economic failures at the national level, the proponents of the EU seem to find it increasingly difficult to communicate the integration project to the wider public. The old ideas of European reconciliation and peace – as relevant as they surely are, still – need to be complemented by a broad discourse that stresses the advantages which directly benefit the people now and in the future. Potentially required institutional changes in the EU polity notwithstanding, one of the most pressing challenges is a persistent and self-confident internal communication which convinces the European citizens of the unchanged relevance of the integration project. .

Even if the EU is able to act based on internal cohesion, many speakers pointed out that it becomes more and more important that the EU's external objectives are communicated in a clear and plausible manner to other actors. The Eastern Partnership (EaP) exemplifies one case where the EU partly missed to make its strategy and aims really understood. This had two severe implications. On the one hand, the governments and societies in the EaP countries often perceived the option to sign Association Agreements as a decision for either a definite turn towards the EU and a simultaneous renunciation of the past embedding, or vice versa. This conceived question of fate prompted rising tensions among different segments of society and even armed conflict in the case of Ukraine. Russia, on the other hand, felt threatened by this development and resorted to rather unexpected measures. Regardless of whether or not one deems these actions illegitimate – which all participants unanimously did – the events in Crimea (but also beyond) essentially demonstrated the need for a better external communication on part of the EU. This might not only serve to base the government policies of the EaP countries and Russia on a more rational calculus. It could also aim at updating these populations better about actual plans and realities in light of the often restricted public access to impartial information. Several panellists therefore urged the EU to apply an improved strategic approach to the Eastern Partnership and articulate more clearly what it seeks to achieve (and what not) through its international objectives, especially regarding the regional neighbourhoods.

### *Fine-tuning existing policies*

Communicating its intentions is of course first and foremost dependent on the formulation of specific policies. While the EU does have a plethora of agendas and strategies in place, the discussions frequently highlighted the need to permanently fine-tune many of these policies. It was consensus among the speakers that altered circumstances often require the policies to adapt and specify. One

of the biggest challenges in this regard is however the fact that it usually takes considerable efforts and time for the 28 member states to agree on a position, which in turn decreases the probability of flexible readjustments. Still, only if policies are adaptive to current developments and changes can they be effective and continue to serve stipulated objectives.

One example for the continuous need to update existing policies is the Europe 2020 Strategy. The decade-long Strategy was adopted in 2010 and seeks to promote smart, sustainable and inclusive growth. It particularly aims at a greater coordination of national and European initiatives. Launched against the backdrop of the global financial crisis, the Strategy was naturally designed to tackle lower growth and productivity levels. Since 2010 the developments in the member states have however followed substantially different paths. One panellist spoke about the situation in Latvia which suffers from a relatively high level of public debt and a continued outflow of young and well-educated people. It thus becomes increasingly important to accommodate common EU ambitions and diverging economic and social conditions at the national level. The recent Strategy review by the Commission is a first important step but needs to be accompanied by further efforts to account for changing realities in a flexible manner.

The Eastern Partnership (EaP) illustrates another case where an existing strategy is required to address altered circumstances in order to maintain its effectiveness. Most participants agreed that generally speaking the EaP is a success story since its adoption in 2009. However, already before the events following the Vilnius summit in November 2013 it had become clear that the strategy had to be reformed. The subsequent developments not only facilitated these efforts but, most importantly, pointed to the need for both clarification and differentiation. First of all, the EU must, once again, clearly communicate that the EaP does not represent an automatism for enlargement. Most speakers agreed that membership in this regard is not on the table in the near-to-mid term. What is actually needed is a tailor-made approach for each of the six EaP countries that individually addresses the respective situation and pace of reforms. One panellist was keen on stressing that this should not be perceived as a division into a 1<sup>st</sup> or 2<sup>nd</sup> class; rather it would take different trajectories into account.

On a more general level, the EaP arguably also makes a convincing case for updating the European Security Strategy (EES). The EES was adopted in 2003 between only 15 member states, which led one speaker to describe it as outdated. Paradoxically, the Strategy was born in the context of substantial disunity between several EU countries over the Iraq war. In this regard, the latent divergence of interests among the new 28 members vis-à-vis the EaP and Russia may represent yet another unifying force to adapt the EES to the current circumstances. For instance, one panellist suggested that while the existing Strategy mainly focuses on international terrorism due to circumstances during its genesis, it may now pay greater attention to current challenges emanating from EU's regional neighbourhoods.

### *Exercising leadership*

Enhancing communication and fine-tuning policies are of course both a daunting task for a group of not less than 28 states. Like in other contexts, the bigger the collective the more pronounced the issue of leadership may become. Leadership in this regard should not be understood in terms of unilaterally pushing through individual ambitions, rather it refers to the ability to aggregate certain interests and spearheading the efforts to find a compromise between different preferences.

Particularly the Nordic countries have a renowned track record of successful mediation in international conflicts based on universal principles of human rights and democracy. In addition, the Baltic countries possess unique experiences, for example in overcoming economic crises and in their relations to Russia. Finally, domestic and external voices have become louder which urge Germany to take on more international responsibility. Taking these features together, several speakers highlighted the promising potential to upgrade German-Nordic-Baltic partnership within the EU in order to act collectively in policy areas of common interest.

One institutional framework that might provide the platform for such an enhanced cooperation is the European Central Bank (ECB). One speaker remarked that with the accession of Lithuania into the Eurozone in 2015, the ECB Governing Council that discusses monetary policy will grow to 19 national representatives that will not be able to submit their vote each time. Instead a rotation principle in terms of voting rights will take effect. In light of this, it seems opportune that the Nordic, Baltic and German partners may consult and coordinate their actions in case that one of them is temporarily not entitled to a vote.

Another opportunity is the obviously needed reform of the Eastern Partnership (EaP). Most panellists agreed that the EaP thus far has been highly technical without paying sufficient attention to inherent policy implications. The severe events in Ukraine notwithstanding, the EU should gradually move from a reactive crisis management to a more proactive strategy management. Given their historic experiences, many speakers regarded the Baltic states as well-suited to act in a leading capacity, in cooperation with their pragmatic Nordic and German partners, to facilitate a more strategic and security dimension within the EaP. In light of the diverging degree of interest among the EU members, such a collective effort yields the potential to place a premium on a more differentiated strategy rooted in real policy thinking and objectives.

Whether in its Eastern neighbourhood or beyond, advancing the role of the EU as a foreign player is evidently in great need of leadership. Pertaining tools formally exist since the Lisbon Treaty, but they have yet not been utilised to their full potential mainly due to the financial crisis. This deficiency between ambition and reality gives rise to the (in)famous capability-expectations gap. Traditionally EU foreign policy has been driven by the big powers such as the United Kingdom, France and Germany. However, as one speaker put it size does not matter in EU politics, but ideas and commitment to the core values. In this respect, the Nordic and Baltic states with the support of Germany could take the lead in areas in which they have a renowned reputation. For instance, they are well-positioned to facilitate the formulation and implementation of a more ambitious EU civilian crisis management or enhanced mediation facilities.

Whereas leadership may conventionally be associated with governments, one speaker also pointed out the great potential for enhanced cooperation between the national parliaments. Ever since the Lisbon Treaty the legislative authorities have a number of tools at their disposal to influence decision-making processes at the EU level. While the collaboration between the national parliaments in the region has intensified over the last few years, a German-Nordic-Baltic partnership should also be facilitated through an enhanced intra-regional legislative cooperation in order to maximise their new competences. This would not only help the parliaments to go beyond rubber-stamping executive agreements, but could also put EU politics on a more democratic and accountable basis.