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in the presence of HM King Harald V of Norway

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Time for Consolidation for a Stronger Union

This magnificent building brings to my mind fond memories of my first visit to Norway. Forty-nine years ago, I boarded SS Stavangerfjord in Oslo harbour to travel to the United States of America for studies at Dartmouth College. Out in the Atlantic we hit an 11 Beaufort gale! That was the beginning of my American connection.

I came back from America, because I wanted to do something for my country. But many Finns emigrated to America, including two of my great aunts, to make their mark in the New World. The most visible monument of Finnish-American achievement is the Arch in St. Louis by Eero Saarinen, said to be the first truly American monument.

The Finns greatly admire Norway. The close affinity that our peoples feel toward each other may be partly explained by the fact that one million Norwegians have Finnish origins.

One of the greatest achievements of present day Finns is that of President Marrti Ahtisaari, who has Norwegian roots. One of my life’s most memorable moments was witnessing the announcement of the Nobel Peace Prize winner live on TV last year. I was overwhelmed by patriotic feeling and we stood up with my lunch host to raise a toast to honour Martti Ahtisaari and the Nobel Committee of Norway. Your Majesty, my dear Norwegian friends, you cannot imagine how much the Nobel Peace Prize of President Ahtisaari means to the Finnish people, coming after the long post-war period.

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Tonight, and later at special sessions, our theme is the state of the European Union after finishing a long process of institutional reform.

Where do we stand after the coming ratification of the Lisbon Treaty? How should we implement it? What is the situation of the Union in accelerating globalization and how can we strengthen it? What is the future of enlargement and integration?

This reform process has taken several years. Since the Single Act of 1986 the Union has been in a continuous state of institutional reform and Treaty changes. For the first time in the history of modern EU there are no plans for another round of intergovernmental negotiations for basic treaty changes.
After so many projects – particularly the Treaty process and the biggest enlargement in the history of the Community – we need a period of consolidation. Our priority must be to make the Union stronger to face global challenges. Otherwise, we run the risk of being marginalized as a global player: global influence cannot be enhanced without greater inner cohesion and progress.

The Lisbon Treaty offers new opportunities, provides added value to work out common policy in every field of cooperation. It makes the institutions, including the European Council, to work in the spirit of the community method. More majority decision-making encourages member governments to compromise.

The Lisbon Treaty innovations like the permanent Chairman of the European Council and the High Representative as Vice President of the Commission can help to increase the visibility and cohesion of the Union.

The most important role of the Chairman of the European Council, however, should be internal: to work with the Council members to prepare the ground for decisions to which the members can commit themselves. He or she should have time to listen to the members and deal with possible problems. Heads of states and governments in every member country have a hard time dealing with the economic crisis and need the support of the Chairman.

Leadership as such must come from the Heads of states and governments, in the way we have seen it emerge during the recent crises around Georgia and in the world economy. The energy and ambition of our elected leaders should be combined for a stronger Union. The role of the European Council, as stipulated in the Lisbon Treaty, in setting priorities and giving political guidelines for the Union can thus be enhanced.

The powers of the European Parliament will increase and the role of the Commission, with its right of initiative, as the motor of the Union will be as important as it is now. The European Council and these communautaire institutions will have to cooperate closely. In the present state of the Union we cannot afford any institutional haggling. It would only make the Union look less legitimate in the eyes of the European citizens.

One of the new features in the Lisbon Treaty is the formalization of the Eurogroup, with a permanent chairman. This highlights the problems of insiders vs. outsiders. I think our main concern should be to prevent an uneven economic development in the EU as member states try to recover from the global crisis. This is the biggest internal threat to European unity in the coming decade. The Eurogroup should engage non-Euro member states in closer cooperation as a kind of a follow-up to the Lisbon strategy. We could set the goal of having all member countries in the Euro by 2020, or at least in good enough economic condition should new member states decide to join the Euro.

The institutional changes in the Lisbon treaty offer an opportunity to make the Union more political by encouraging political groupings to present clear alternatives and debate them openly and in a constructive manner. The principle of openness, imbedded in the Treaty, must be implemented in every aspect of EU activities.

I am particularly interested in the legitimacy of the EU institutions as I have been both Prime Minister and Speaker of the Finnish Parliament. In the Lisbon Treaty the national parliaments...
are given a new role in EU decision-making that highlight this question. In my opinion it would only increase confusion about the institutional construction of the EU if the national parliaments in concert would start acting as a separate institution. The role of national parliaments should rather be strengthened in the European policy decision-making of member states as part of the parliamentary process, with government and opposition interacting. With this philosophy we could better engage citizens to participate in European policy decision-making.

The purpose of institutional reform is to make the Union stronger. We must reassess our priorities.

First and foremost is cooperation to recover from the economic crisis. This must be done without a regression into protectionism and excessive state subsidies. In Finland we are greatly concerned about the future of our most important and most ecological industry, the paper industry. We have the right to protect this industry as much as other EU states have the right to do something for their basic industries.

Second, we must be concerned about the survival of the European Social Model. Income differences are increasing and unemployment is high. Demographic development, ageing, threatens our ability to finance public services.

Third, we must greatly increase the energy self-sufficiency of the Union, while sticking to ambitious goals to reduce greenhouse gas emissions. Improving internal solidarity for energy security and the creation of functioning European energy markets are urgent tasks, as well as diversification of energy imports. Norway, in spite of not being a member country, will play a central role in this process.

Fourth, the process of developing a common asylum and immigration policy, launched at the Tampere Summit in 1999, must be continued.

Fifth, in common foreign and security policy we must increase European cooperation and define a clearer role for the European element in NATO. In the non-NATO EU countries we are closely following how the Euro-Atlantic security community will evolve in the near future.

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You may have noticed that I have not tried to give any advice to Norway about the EU. But I would like to discuss the European role of the Nordic countries in a wider context.

A window of opportunity to maximize Nordic influence in European construction passed when Norway and Iceland did not join the EU in 1995. Since then the goal of EU enlargement has been to make Europe whole. With the on-going integration of the Western Balkans we are getting closer to that goal. But Europe will not be whole without all the Nordic countries being members of the EU.

Global developments encourage the Nordic countries to cooperate more closely for influence at important tables. The suggestion of the Foreign Minister of Norway, Jonas Gahr Støre, to have a common seat for the Nordic and Baltic countries at the G20 is a welcome idea.
The G20 has turned out to be a success for the EU, as policy coordination among member states has been working well as for the Pittsburgh G20 meeting. However, there is a need to clarify the institutional place of this coordination and EU representation at G20.

*Enlargement or integration?* I think it is a mistaken notion to see a contradiction between these goals. Only an ever-closer Union can take on major enlargement. The greatest strength of the European Union lies in its ability to enlarge, not by projecting power, but acting as a magnet, making neighbouring countries reform to be able to join the Union. In this sense, we should “never say never” to further enlargement. But there are limits to the ability of European institutions and, above all, European citizens, to digest frequent major enlargements. It is time for consolidation in this respect, too; otherwise future enlargements will be rejected by our voters.

I am looking with great expectations to the report of the Reflection Group [on the Future of Europe in the 2020-2030 Time Horizon] chaired by Felipe Gonzalez with Jorma Ollila being the Finnish Member [as well as two Trilateral Members present in Oslo, Mario Monti and Lykke Friis]. What I am most concerned in is how to create a real European identity, shared by all European citizens. In my opinion, it can only emerge in a federal structure that would guarantee the equality of member states and European citizens. We are a long way from that, but we need an idea of finalité in the evolution towards an ever-closer Union.

Meanwhile, let us make Europe whole by leaving behind notions like “old” and “new” Europe. Culturally, including our Christian tradition, the Baltic and Central European countries are part of the historical Europe. Finland, having been an integral part of Sweden for six centuries, was born as a nation only after becoming an autonomous part of the Russian empire for a century before independence. Russian culture is also very much a part of the great European tradition.

Basic values of democracy and human rights connect us most within the EU, and with North America and the Asian democracies. Closer trilateral cooperation to uphold these values is needed as we increasingly face problems in the United Nations in forging coalitions to defend them.

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Having travelled to the United States aboard a Norwegian ship, I made my return trip as a “messgutte” aboard the Norwegian freighter MS Norholt from the West Coast via the Panama Canal. When I got the first sight of Europe, approaching Pasajes, the harbour of San Sebastian, I thought: “Finally, the Old Continent, Old Culture!”

I had enjoyed my studies at Dartmouth, but I was critical towards some aspects of American culture. Having continued my studies in Finland, I realized that we in Europe had no reason to entertain the idea of cultural superiority. Respect for each other’s cultures is, I believe, a central principle of trilateral cooperation, particularly important in managing today’s globalization.