

From Europe to *Real-Europa*

The recent events in Ukraine remind us of the fact that the transformation of Europe, which started in 1989, is still continuing. German reunification, the collapse of the Soviet Union, the re-established independence of the Baltic States and the liberation of Eastern Europe set in motion a process that has not yet come to an end.

This chain of events released energy, which had previously been held back by the command economy, and gave impetus to a comprehensive modernization process of societies. The gap in living standards between East and West began to shrink. A major milestone was the enlargement of the European Union by ten new Member States in May 2004. To quote Willy Brandt: "What belongs together, grows together".

Ukraine's Orange Revolution has finally proved that freedom without democracy does not work. On the other hand, democracy does not function without the safeguards guaranteed by the rule of law and the democratic control exercised by civil society, a political opposition and the media – in other words a system of checks and balances.

The bloodless dissolution of the Soviet Union and the ideological system it represented was a historic event, the uniqueness of which is accentuated by the violent collapse of Yugoslavia. Freedom is a mighty power. German re-unification became possible only after the birth of true freedom brought about by the collapse of the Berlin Wall. Today, Germany is, for the first time in its history, a country surrounded by friends and partners.

The demise of the Soviet Union also liberated the southern shore of the Gulf of Finland, that is, Estonia, Latvia and Lithuania, and opened for Finland a direct overland route to Central Europe – the Via Baltica. Today, the Baltic coast facing Finland and Sweden is part of the European Union, and the internal markets that have developed around the Baltic Sea have generated a dynamic environment. The Baltic Sea once again unites nations.

The Baltic Sea region is today the most rapidly growing economic area in Europe. The volume of goods and the number of people crossing the Baltic Sea have multiplied during the past fifteen years. New ports and bridges are being built and upgrading of infrastructure is going on apace. The Via Baltica revolutionized tourism, but heavy traffic from Finland is still dependent on sea connections. In fact, as much as 85 per cent of Finnish imports and exports are transported by sea. That is why the project to improve sea transport - "Motorways of the Baltic Sea" - is of great importance to Finland.

German reunification and Poland's accession to the EU open up other alternatives to goods traffic than crowding onto the congested highways and railways of western Germany. Finnish industry is constantly seeking new ways of exporting products directly to the expanding markets of central and southeast Europe beyond the bottleneck formed by the Alps. In this context, Rostock, Szczecin, and Gdynia offer new welcome options.

A European prize should be awarded to the forwarders, merchants, and shuttle traders of our continent. These words of Professor Karl Schlögel of the European University Viadrina hit the nail on the head. In his extremely inspiring article, entitled "*Europas Comeback, Marijampole oder die stille Verfertigung eines Kontinents*", Professor Schlögel describes pathways, which can transform and have already transformed Europe. To quote the Professor again: "*Diese Händler haben keine 'zivilisatorische Mission' aber sie arbeiten an etwas, was Europa als zivilisatorischen Zusammenhang wieder entstehen lässt*" (*These traders do not have any 'civilizing mission', but they work on something that Europe allows to further emerge as a liaison of civilisations*).

Instead of the "big" border that divided Europe into two, our continent is today full of "small" borders and people who, in increasing numbers keep crossing these borders by car, by train or by plane to make their living and to ensure a better future for their children. Professor Schlögel speaks about "*Real-Europa*" which is a bigger entity than the Europe we know from school books. The revolution in Ukraine reminds us of the fact that the old is not capable of preventing the new from emerging. The choice is between "transformation and revolution" as my friend and colleague Joschka Fischer puts it.

The past fifteen years have transformed the map of Europe and launched an unparalleled process of integration. The Viadrina University symbolizes this goal shared by all of us. In relations between Germany and Poland, Viadrina represents reconciliation. The friendship between Germany and Poland is founded on new trust. This policy is successful because it is built on the notion that citizens trust their representatives. At the European level, Viadrina represents the endeavour to close the post-war gaps that divided our continent.

Whilst the dynamic impact of Poland reaches Berlin, Estonia successfully challenges the south of Finland. The southern parts of Finland and the northern parts of Estonia have developed into a rapidly integrating area of prosperity. We Finns have been somewhat surprised - but more than satisfied - to be able to witness the vitality and rise of the Estonian economy to a cutting-edge position among the new Member States. In 2007, Estonia, Lithuania and Slovenia are expected to adopt the euro.

The challenge does not only involve price and tax competition. We are talking about a situation that compels us, once more, to adjust and to respond to global challenges. Faced with these new challenges, Europeans are required to show strategic thinking that recognizes and takes advantage of the differing cultural backgrounds in Europe.

Estonia and the other new Member States of the EU also need to gradually adjust the exclusively and dominantly market-oriented nature of their economic policies more towards the European social model. In Estonia, there is already concern about the problem of "two Estonias" and social divisions which will, in the long run, hamper the development of the entire nation.

The challenge of European integration is nowhere more concrete than on the River Oder or the Gulf of Finland. The new Member States have achieved a lot within a short period of time but they still have a long way to go. The economic and political stabilization of the Baltic, Polish and other new members' societies is one of the main challenges facing the European Union. The new Member States carry principal responsibility for this endeavour but neighbourhood and proximity obligate as well.

Transformation, the capacity to change and adjust is among the most important criteria that the new Europe needs to meet.

Not only Finland but all the other Nordic countries, too, have been ranked high in recent reports assessing the level of corruption - which is very low - , competitiveness, information society, the state of the environment and education. This tells us that the Nordic welfare state, characterized by its broad-based social security system and comprehensive public services, but also above-average level of taxation, which has been an object of systematic criticism in recent years, has not at all been an obstacle to success. On the contrary, the welfare state has been an essential cornerstone of our achievements. In the early 1990s, Finland went through an economic crisis of profound dimensions. But our welfare state survived the trying times by carrying out the necessary reforms to ensure our competitive capacity.

Germany, which is struggling with its own economic and structural difficulties, may feel that it is confronted with unreasonable expectations. It can be said without exaggeration that all the new Member States look to Berlin. Germany is also, some very few exceptions excluded, the biggest trading partner of all other EU Member States. And because Germany is the biggest EU Member State, it also has a certain responsibility. Federal President Horst Köhler's visit to the Baltic States in November was an important act. The meeting of German and Baltic foreign ministers in Pärnu, Estonia, at the beginning of December was well timed.

Finland, too, – already referred to as one of the old Member States – expects Germany to show leadership and to set an example to the whole of Europe of how to solve common structural problems. While I underline Germany's responsibility, let me assure you that Finland also shoulders its responsibility as a neighbour of both Russia and new Member States of the EU.

Finland has gained excellent experience of the coordination of EU policy with Sweden and Denmark. In the post-enlargement EU, we have convened at various levels also in the 3 + 3 constellation – three Nordic and three Baltic countries. We have every reason to expand this group to include the EU Member States on the southern coast of the Baltic Sea, Germany and Poland. 3+3+2 at various levels and without institutionalisation offers a flexible opportunity to discuss common interests in the EU.

The developments in Ukraine surprised many in Finland, Germany and Russia, but in Poland people were apparently less surprised. Now that Ukraine has elected a new President, I would venture to claim that democracy, accountability and the rule-of-law are the core issues for the future development of Ukraine. The question is not about a geopolitical battle between east and west, but about an uprising of a new generation, the full development of civil society to oppose mendacity and manipulation. Fair elections are a fundamental precondition for freedom and democracy.

The first big event during Finland's first Presidency of the EU was an EU-Ukraine Summit in Kiev in July 1999. The Conclusions of that Summit defined the basis of the relations between the EU and Ukraine with the words "Ukraine's European choice". This choice cannot be implemented by issuing declarations. It has to be reflected in concrete actions.

The Orange Revolution of Ukraine has also created tensions in relations between the EU and Russia. Support for democracy in Ukraine is not targeted against Russia. The development of relations between Ukraine and Russia is a major European issue. Like

my colleague Joschka Fischer, I am convinced that a democratic Ukraine is in the interest of Russia, too.

The strategic partnership between the EU and Russia is one of the most important achievements of the new Europe. It must not be exposed to danger. Here too the views of Finland and Germany coincide. The EU-Russian border is today also the kind of "small" border to which Professor Schlögel referred. It is no longer an insurmountable barrier between two different ideological systems, but a border being crossed by a steadily growing flow of goods and people.

The increasing interdependence between the EU and Russia is related to economy and transportation. Positive interdependence is a very European concept and illustrates the post-war West European integration process. It could also be called the Rotterdam syndrome, reflecting the fact that Rotterdam, not Hamburg, is the biggest port of Germany. Europe's dependence on gas imports from Russia and Russia's dependence on the markets and traffic connections across the Baltic Sea are factors that call for cooperation, which will be the cornerstone of new Europe.

The WTO negotiations concerning Russia and Ukraine are approaching the final phase. What will be the next step in the two countries' process of integration into the European and global economies? At the European level, the most natural solution would be a free trade agreement, which is already recorded in the Partnership and Cooperation Agreements, provided that the terms for the start of the negotiations are met. In business circles this could contribute to improved predictability concerning trade and investments. It would also strengthen the market economy structures of Russia and Ukraine - and lay the foundation for improving the prosperity of their citizens.

Enhancing positive interdependence was one of the overriding principles of the initiative concerning the Northern Dimension of the EU introduced by Finland in 1997. The Northern Dimension contributes to increasing cooperation between the EU and Northwest Russia, and hereby consolidates stability and sustainable development in that part of Russia.

The purpose of the Northern Dimension is to develop practical partnerships, such as the Northern Dimension Environmental Partnership (NDEP) and the Public Health and Social Welfare Partnership. A wastewater treatment plant in St Petersburg is a product of the NDEP. The plant is expected to be completed in 2005, and will benefit all the countries bordering the Baltic Sea. A waste management system in Kaliningrad is another important project to be carried out in the near future. In the public health and social welfare sector, projects will be launched to combat HIV/AIDS. The future of Kaliningrad is a key issue for the stability of northeast Europe.

The EU should, together with Russia, consider how the Northern Dimension could be further developed after the expiry of the present Action Plan in 2006. It is important to find modes of action that will be beneficial to both Russia and the EU. Finland is of the opinion that the present Action Plan could be followed by a framework document of a political nature that would complement the areas of cooperation already under consideration between the EU and Russia. The Northern Dimension would thus constitute a regional partnership between the EU and Russia in the future. The Council of the Baltic Sea States (CBSS) and other regional councils in the north could be given a stronger role as implementers of practical projects. Such Baltic Sea states as Germany and Poland should play a significant part in the development of the Northern Dimension.

President Putin's decision to solve the only remaining border issue with China was one of the most notable political events of last autumn. Its significance is far-reaching. At the EU-Russia Summit in The Hague in November, President Putin announced that Russia is ready to sign the border agreements with Estonia and Latvia. I consider this a pragmatic approach from Russia's part to unresolved issues. President Putin has invited the Heads of European States to celebrate the 60th anniversary of the end of the Second World War in Moscow on May 9, 2005. He has proposed that the border agreements be signed on that occasion in the Russian capital. Finland welcomes this as a gesture of reconciliation.

Europe is making a comeback, growing together and integrating. Freedom, democracy and the rule of law are consolidating their status in the *Real-Europa*. Germany, in the middle of the European map, plays an invaluable role in the process of integrating the north, south, east, and west of Europe and ensuring an equal role for both old and new as well as, big and small Member States in joint decision making in Europe. Germany has admirably taken care of the task of bridge-builder in the past and we are convinced that it will continue to do so in the future.