International challenges and opportunities: Putting the EU’s positions into words

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Abstract
Europe is facing numerous challenges, many of which are unprecedented either in their scale or in their nature. These challenges include uncertainties about the future of the liberal international order and the rise of populist movements in the West. And there are also tensions and reform pressures in the areas of international trade, climate change and extreme weather events; pressures linked to migration from the Middle East and North Africa; hybrid threats and cyberattacks; and problems related to the expected departure of the UK from the EU by the end of March 2019. During its forthcoming Council Presidency in autumn 2019, Finland will have the opportunity to propose new solutions to these and other challenges. This article argues that it is important for Europe’s leaders to clearly articulate and put into words what the EU’s positions and objectives are on the world stage. Without clear positions and objectives, the EU will not be able to represent its member states and citizens as effectively as it should.

Keywords
Finland, Foreign policy, EU Council Presidency, Values, Multilateralism, Security

Introduction
In Finland the summer of 2018 will be remembered for two reasons in particular: the record-breaking heatwaves and the meeting of US President Donald J. Trump and Russian President Vladimir Putin in Helsinki on 16 July, which attracted widespread international attention. The actual results of the meeting were modest, but it was a success for Finland and for the country’s foreign policy. In particular, it was a demonstration of our competence and proof that we are internationally trusted. According to a media study commissioned by
Finland’s Ministry for Foreign Affairs and the City of Helsinki, through hosting the meeting, Helsinki gained visibility worth more than three billion euros (Finnish Government 2018a). This same study showed that the media had portrayed Finland as a liberal and progressive country. To me, this does not sound like Finland looked like a ‘Cold War-era meeting point between East and West’ (Standish 2018) or a ‘grey zone between Europe and Russia’ (Oksanen 2018). Let me be clear. Finland is not a neutral country. We chose sides when we joined the EU with Austria and Sweden in 1995. Yet, such statements remind us that building Finland’s image is a continuing process. Although one meeting in Helsinki between Presidents Trump and Putin will not swing it in one direction or another, we politicians nevertheless have the responsibility to say aloud what Finland’s position is and what it is not. In other words, we have to put into words what Finland’s foreign-policy position and objectives are because otherwise other people will do it for us.

The same holds true for the EU’s foreign policy and positions in the world. For this reason, I want to use this article to discuss some of the main challenges Europe is currently facing, which are many and difficult in nature. These include uncertainties about the future of the liberal international order and the rise of populist movements in the West. And there are also tensions and reform pressures in the areas of international trade, climate change and extreme weather events; pressures linked to migration from the Middle East and North Africa; increased hybrid threats and cyberattacks; and problems related to the expected departure of the UK from the EU by the end of March 2019. The rest of the article is divided into four main sections. The first looks at some of the biggest challenges that Europe is currently facing. The second discusses what Finland could do about them during its forthcoming EU Council Presidency in autumn 2019. The third reflects on what the EU should focus on in the longer term beyond 2019. The fourth and final section concludes the article and summarises its main points.

Current challenges

In my opinion, there are currently six challenges that should be of major concern to the EU. The first is the uncertain outlook for the world economy. The general outlook for world trade is good and the current economic boom is expected to continue in the coming years. This growth will continue apace, led by the US and the emerging economies. However, many leading indicators suggest that there will be a slight slowdown in the growth of the world economy (e.g. WTO 2018). The rising protectionism around the world is a threat to economic growth and is increasing uncertainty. Uncertainty is also growing on account of the ongoing Brexit negotiations, the lack of clarity concerning the economic policy of Italy’s new government and the economic difficulties in the EU’s large neighbour Turkey. The factors threatening to make the outlook for the world economy less positive have one thing in common: their political nature.

The second is the retreat away from multilateral cooperation. The world needs multilateral cooperation to solve its shared problems, and this is why Finland must also continue to speak in favour of a world order founded on rule-based world trade and international institutions. Stating how things are does matter and talking about values is
not futile. Finland alone will not be able to ensure that multilateral cooperation continues around the world. But when it acts collectively with other member states through the EU, it can make a real difference. Yet, the Union also needs allies around the world, and this is why Europeans should look further out to Australia, India, Korea and Latin America for partners with whom they can promote shared goals in international organisations. Together with other like-minded countries, the EU can make a change.

The third challenge is climate change and extreme weather events. In the summer of 2018, Finland experienced a rare heatwave along with the entire northern hemisphere. Spain and Portugal struggled in the scorching forty-degree heat, and record-high temperatures were witnessed on the Korean peninsula and in Japan, Algeria and Canada. Furthermore, drought caused extensive forest fires in different parts of Sweden, which were extinguished with the help of firefighters and equipment from several EU countries, including Finland. This serves as a practical demonstration of the importance and value of quick European solidarity towards a country that is experiencing a crisis. Climate change is not something one country can solve on its own, but this is not a reason to take an unambitious stance towards mitigating it. The Finnish government has made the decision to ban the use of coal for energy in 2029 (Finnish Government 2018b). However, more measures are required. Finland is one of the first countries in the world to have integrated sustainable development into its budget proposal. The aim is to make an effective tool out of sustainable development budget planning, which Finland can then promote internationally.

The fourth challenge is migration pressures from the Middle East and North Africa. Tens of millions of people have been forced to leave their homes to flee from wars, persecution and conflicts. In countries where the population is growing faster than the economy, employment and future prospects, people move away and look for opportunities elsewhere. The management of migration requires massive measures from the EU and from us, the member states. It means more development cooperation, crisis management, private investment, trade and bilateral cooperation in general. The EU needs a better common asylum policy. The EU’s external borders must work effectively and securely. The legal ways of entry must be in order. If the EU does not succeed in this, there will be more poverty, conflicts, refugees and radicalisation. Moreover, there will be more social unrest in the EU member states. Climate change, too, makes people leave their homes and become refugees.

The fifth is Africa’s demographic explosion. The EU must also do all it can to support sustainable economic growth in Africa. Development cooperation is important, but it alone will not solve the multitude of problems in the continent. I will give one example. As Africa’s population is growing, more than two million hectares of the continent’s forests are disappearing every year (FAO 2015). Everyone understands that the global climate simply cannot afford to lose the forests of Africa. But everyone also understands that the people in African countries have needs. Africa’s population is expected to double to 2.5 billion by 2050, by far the biggest increase in any of the globe’s continents (Tempest 2016). This means that there will also be a corresponding increase in the demand for jobs, wood and arable land on the continent. An essential
part of the solution is sustainable forest management. This means protecting and managing forests in ways that are sustainable and that also provide work and economic benefits to the surrounding areas. In fact, Finland is already an important player in the management of Africa’s forests. For example, through development cooperation, thousands of hectares of forests have been planted in Tanzania with our support (Finland, Ministry of Foreign Affairs 2018b).

Sixth and finally, there are the challenges of low intensity violence and hybrid threats. It is more than one year since Finland’s first terrorist attack, which took place in the city of Turku on 18 August 2017. In this attack, two people were killed and eight more were injured (Yle 2017). The Turku attack can be seen as part of a broader wave of terrorist attacks which has hit multiple countries in Europe over the past years. In addition to terrorism, Europe is increasingly under threat from various ‘hybrid threats’. The choice of methods available in hybrid influencing is constantly becoming broader, which is a threat to democracy and to free elections in particular. European societies must prepare for a multitude of serious hybrid threats and cyberthreats. To prevent new and old security risks, both hard and soft power must be used. Hybrid threats are so diverse that both the EU and NATO are needed to respond to them. In this joint response, a key role is played by the European Centre of Excellence for Countering Hybrid Threats, which was established in Helsinki in 2017. It seeks to improve our understanding of hybrid threats and to promote the development of comprehensive ‘whole-of-government’ responses to them at the national level and coordinated EU–NATO responses at the European level (Hybrid CoE 2018).

**Finland’s EU Council Presidency**

In the second half of 2019, Finland will hold the rotating Presidency of the Council of the EU. Given that the member state holding the Presidency chairs most meetings of the Council and sets its agenda and work programme, Finland will have the opportunity to draw the EU’s collective attention to the challenges discussed above among others. Finland will have two important objectives for its Presidency: (1) to influence the work programme of the new Commission that will be appointed in autumn 2019, so that issues important to us will be given the weight we want them to have; and (2) to raise our profile with the other member states.

With regard to the first objective, our Presidency will coincide with the opening of the 2019–24 European Parliament and the appointment of new people to the EU’s most senior positions (i.e. Commission president and his/her team, European Council president, and high representative of the Union for foreign affairs and security policy). Furthermore, the EU’s next Multiannual Financial Framework will be finalised during this period. The Commission has proposed that more money be allocated to the management of migration, to defence cooperation, and to research and development. Investment in research and development and innovation supports economic growth, employment and the pursuit of knowledge everywhere in Europe. Europeans expect the EU to act in matters related to migration and defence.
In recent years, there has been great concern within the EU about actions that have undermined the rule of law in certain member states and discussions about what to do about them. One widely discussed idea is to make fostering the rule of law a precondition for receiving EU cohesion funding, which is a welcome change. The rule of law framework was originally developed from a joint letter sent to then Commission President José Manuel Barroso by the foreign ministers of Finland, Germany, the Netherlands and Denmark in March 2013. The greatest challenge each member state faces is to avoid focusing solely on the funding it receives, but rather, to look to the future and remember that the budget is drawn up with the interests of the entire EU in mind. The overall spending level must be assessed through the content of the Commission’s proposal. Any payments that exceed the current level of spending must provide added value to Europeans.

When Finland’s Presidency begins, the UK will already have left the EU due to Brexit, and a controlled transition stage will hopefully be underway during which the EU and the UK must rebuild their relationship. Both parties must rapidly adapt to the post-Brexit situation, with or without an agreement. Finland wants to base this new relationship on an agreement that is good for the EU and the UK, but not at any cost. The UK is a very highly valued partner for us, not least in the fields of trade and security cooperation, so it is essential that we get the future relationship right. At the same time, the EU cannot compromise its greatest achievement, the single market, or the free movement of people, goods, services and capital. In spite of the differences of opinion, I believe the EU and the UK will come to an understanding. They are highly motivated to reach an agreement because this is very much in the interests of both sides. It speaks well of the EU that we have managed to speak with one voice and remain united behind Chief Negotiator Michel Barnier in the negotiations.

The departure of the UK means that Finland and the other northern EU countries lose an important partner. The UK shared with us the important objectives of defending competition and opposing protectionism. It played an important role in keeping these goals on the EU’s agenda. Finland must not merely adapt to the new situation and to the UK’s departure, but has to systematically build good relationships with like-minded EU countries that share with us the objectives of anti-protectionism and managing finances responsibly. A good example is the ‘new Hanseatic League’ (Khan 2018), which I have established with the ministers of finance of the Netherlands, Ireland, Sweden, Denmark, Estonia, Latvia and Lithuania. It has focused on issues related to developing the Economic and Monetary Union (EMU) (Finland, Ministry of Finance 2018a). Developing the banking union and the capital markets union are priorities for the new Hanseatic League, and we share similar objectives regarding them. Finland’s policy has been that problems are not solved by money or by increasing solidarity through transfer payments. Attempting to deepen solidarity in this manner is more likely to tear the euro area apart than to bring it together.

The declaration on the further development of the EU made by Germany and France at Meseberg Castle in June 2018 is a good starting point for developing the
EMU (Germany, Federal Government 2018). The declaration proposes several steps to ‘strengthen and deepen’ the eurozone and ‘make it a genuine economic union’. These include changing the treaty on the European Stability Mechanism and incorporating the Mechanism into EU law; introducing euro-area collective action clauses; using stability support in case of the risk of liquidity shortages; and establishing a eurozone budget to promote competitiveness, convergence and stabilisation in the euro area. My rough estimate is that 80% of the declaration is acceptable, 10% still needs to be polished and 10% is not compatible with Finnish objectives. Given this situation, it is very possible to reach an agreement. The development of the EU has always meant reconciling different visions. The worst situation would be one in which it was not possible to reach an agreement about the long-term vision and, as a result, the development work started to drag on. It is important to proceed with developing the EMU.

With regard to the second objective, working on the issues that I outlined above during our forthcoming Council Presidency will also raise Finland’s profile among the EU member states. Yet, given that Finland is widely known as an ‘education superpower’, my opinion is that skills and education would also be a natural focus area for Finland’s Presidency. Strengthening skills and raising the level of education is the key to dealing with digitalisation, automation and the other challenges related to the transformation of working life that is affecting the EU member states. By raising the level of education and skills, we can turn these challenges into opportunities. What is essential is to enable people to acquire the knowledge, skills and competence needed to help Europe become successful in the use of digitality, the application of artificial intelligence and the promotion of sustainable growth. Education is Europe’s strong point in the sphere of global competition. Education is a way to fight poverty and the lack of prospects. Education is the foundation of Europe’s welfare society. And Finland is already known as an education superpower.

Looking further to the future

Although 2019 will be a year of change for the EU, it is important to also evaluate the past and reflect on what the EU should focus on next. In my opinion, ‘[b]eing big on big things and small on small things’ will continue to be a good general rule (Juncker 2014), and there are at least three major challenges that the EU needs to overcome.

The first is people’s fluctuating support for the European project. Brexit has forced the remaining EU member states, the EU27, to think about the vision and mission of the EU after the UK has left. Against all odds, Brexit has pulled us together. The difficulties with Brexit have shown us how bad a choice it is to exit the EU. However, the rise of populism, growing challenges to the rule of law in certain member states and the UK’s decision to leave the EU are loud alarm bells warning us not to take the people’s support for European integration for granted. People will support and believe in the EU as long as the EU does things that seem relevant to them, but this support is not cast in stone. I believe we should focus on areas in which, as we act together, the EU can provide more
added value to the EU citizens and member states. These areas include climate change, the single market, and security and defence, to name a few.

The second is the need to find new sources of sustainable economic growth. I expect the next Commission to focus even more strongly on the sustainable growth of the economy and on the well-being of citizens. New growth must be based on clean technology; low carbon emissions; and the use of sustainable, renewable and recyclable materials. The EU’s commitment to the promotion of a low-carbon economy requires that industrial production and the use of natural resources should be sustainable. Sustainability is not an obstacle, but an opportunity! The availability of a qualified workforce is an essential growth factor in the internal market. Removing the obstacles to mobility is one effective way to increase the size of the available workforce. I expect the next Commission to be even more strongly outward looking and to focus on promoting and strengthening an open, rule-based trade system.

The third is the need for the EU to do more to strengthen Europe’s security and defence in a challenging geopolitical environment. EU member states need to cooperate more in defence matters. We have to ensure that the various new European initiatives launched since 2017 within and outside the EU (e.g. Permanent Structured Cooperation, European Defence Fund, European Intervention Initiative) are implemented effectively. It is important to highlight how defence initiatives help to protect Europe. Article 42(7) of the Treaty on European Union, the ‘mutual assistance clause’, has been activated once so far—after the November 2015 terrorist attacks in Paris. It is important that we should further develop our ability to assist each other in all crises and in particular in the face of military aggression. It was with this in mind that in 2017 Finland adopted a new law enabling us to give and receive military assistance (Finnish Government 2017). Another practical way for the member states to cooperate would be to organise joint exercises where the participating countries could put Article 42(7) into practice. A variety of situations could be simulated, from hybrid activities to conventional military operations against one or several member states. Joint exercises can serve as means to find weaknesses, to develop processes and finally, to increase the EU’s credibility as a security provider.

**Conclusion**

In this article I have provided an overview of some of the most pressing challenges that Europe and the world are currently facing. I have also discussed Finland’s forthcoming EU Council Presidency in autumn 2019 and outlined some of the main issues to which the country, in cooperation with its EU partners, will have the opportunity and responsibility to propose solutions. Finland must take an ambitious stance towards its Presidency and its EU policy in general. The EU is not an object of lobbying. We are the EU. It is time for us to understand that the stronger the EU, the stronger its member states. Our policy is not to slow down European integration but to take it in the direction we would like it to go. I would like to see the EU move towards becoming unified and strong. The EU must be capable of representing its member states and citizens in international
arenas. And it must be able to produce more security and well-being for its citizens than each member state could provide on its own.

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