

**“Europe 1989-2009 Reunited and Revitalised:
Twenty Years after the Fall of the Berlin Wall”.**
**Remarks by George Cunningham Charge d’Affaires a.i.
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Thank you for having invited me to speak in such honoured company.

As time moves on, I will be relatively short and concentrate my remarks on what has been achieved in Europe since the "big bang" enlargement from 2004 onwards.

As some of you may know, before coming to New Zealand, I was rather heavily involved in the EU’s enlargement process.

I helped pioneer public opinion surveys in Central and Eastern Europe during the momentous years after the Fall of the Berlin Wall. I developed communications strategies for European integration with Governments in the region. Most recently, I served in Cyprus to try and reunite the island before it joined the European Union in 2004.

It will therefore come as no surprise that I relish recounting that – despite all the difficulties - the 2004 enlargement passed off successfully with hardly a hitch for Central European and Baltic countries. And the process of integrating these countries into the Union has worked well - by and large - since then.

This success is due to the very significant pre-accession preparations that took place for over a decade. During this time, candidate countries in that region took all necessary steps to build market economies virtually from scratch. All laws had to be aligned to the EU’s. And all those laws had to be implemented fully on the ground to ensure accession into the EU occurred in a seamless manner. It was a very great achievement.

The benefits of enlargement have been plentiful. Some examples:

- Like Greece, Spain and Portugal in previous waves of EU enlargement, the process has consolidated democracy and personal freedom in the countries concerned. This has increased the stability and security of Europe as a whole. Enlargement has also improved citizens' quality of life by, for instance, bringing in EU environmental and health standards, improving food safety and animal health. Overall life has much improved for everyone in the region, except perhaps pensioners.
- Both sides have benefited economically. The integration of new Member States into the internal market has increased trade between new and not-so-new Member States almost threefold in less than ten years. There has been a fivefold increase in trade among new Member States. And employment in the new Member States rose 1.5% per annum in the decade before the current financial crisis began.
- Despite EU membership jumping by two thirds in 2004, the EU has continued to manage its business well. According to a recent study, EU institutions have been adopting the same number of legislative acts post-2004 as they did before. The speed of getting them through the institutional process seems to have in fact increased.
- Perhaps the biggest success story is that of the one million citizens from new Member States who arrived to work in the UK and Ireland from 2004 onwards. A study showed they added EUR 9 billion annually to the UK economy. There was not much obvious friction in society. Since then, around half of them have returned to their homes.

The global financial crisis has impacted on everyone. Older members such as Ireland and Scandinavian countries have been as badly hit as newer countries like the Baltic States, Hungary and Romania.

Remarkably, the Polish economy, by far the biggest of the new members, is the only one in the whole of the EU to have kept growing

throughout the recession. Joining the euro has certainly helped Cyprus, Malta, Slovakia and Slovenia bear much of the weight of the problem.

However not all the enlargement story is a bunch of roses. Just four examples:

Firstly, newer Member States' experiences of their recent past are vastly different from previous members. Memories of World War II and the communist past are vivid amongst their leaders and publics.

This was most clearly seen recently in strong public backing in the Czech Republic for the last minute opt-out to the Lisbon Treaty demanded by its President, based on expressed concerns about the post World War II Beneš Decrees.

Their difference of perspective was also highly visible during this year's 70th anniversary commemorations of the start of the World War II.

As a consequence of these different recent histories, there are significant differences between former and new Member States from Central Europe and the Baltic States about how to deal with two great powers: Russia - perhaps the EU's greatest external relations challenge at present - and the United States, although attitudes towards the US are becoming more fluid with the passing of time.

Secondly, the newer Member States are inevitably less financially well-off than those they joined. Financial transfers have taken place, both via EU programmes funds as well as the marketplace. There has been some success since 2004. The average Czech and Slovene is now better off than the average Portuguese or even Maltese for that matter. But all new Member States still remain below the EU27 average in terms of GDP/capita in PPS terms.

This has obvious consequences. Just last week, the EU reached a compromise on how much money developing countries should be offered by developed countries to fight climate change. But the

apportionment of that financing within the EU could not be agreed, new Member States arguing that wealth should be the only criteria to be used to determine how much each country pays into the pot.

Thirdly, the issue of minorities in Central Europe and the Baltic States is often not bubbling far below the surface. Freedom of movement of peoples enshrined in the Schengen agreement has considerably eased the situation. Amongst its other tasks, the EU's Agency for Fundamental Rights based in Vienna helps the EU better target assistance to disadvantaged minorities, such as the Roma people.

Lastly, post-accession difficulties continue in some countries. The EU has created safety nets to help Bulgaria and Romania work towards improving in particular their justice systems and fighting organised crime. The lack of resolution of the Cyprus Problem complicates the EU's relations with Turkey, a candidate to join the Union.

Despite what you might have read in the media with the ongoing Lisbon Treaty saga, Eurobarometer public opinion surveys show both old and new Members on balance much more supportive than not of EU membership. The UK continues to be only Member State regrettably where those saying EU membership is a bad thing outnumber those that say it is a good thing.

So, in the words of a rather famous author in this room, the question might well now be, well, "What's Next"?

The European Union has become an economic behemoth on the world stage. In 2004, the EU overtook the United States as the world's biggest economy. Its NZ\$ 25 trillion economy is 15% larger than that of the United States at present.

It is therefore hoped that the Treaty of Lisbon will shortly allow the further evolution of the EU's political integration to go some way to match its economic might.

I have no doubts that this evolution is critical to Europe's well-being in a multi-polar world, a world full of both opportunities and dangers.

Size is not everything but I believe it certainly helps! There is much to be said for the old adage: “United we stand; divided we fall”.

How does the changing world situation impact on the future of enlargement? Well, no one has defined the frontiers of Europe. This is a very wise policy. The desire of many countries on the periphery of the EU to join it is strong. We should not dissuade them from trying.

The desire to be part of the EU works magic. It is driving reform in both Turkey and the Western Balkans. The prospect of membership is a powerful factor for stabilising a region known for its volatility.

For those countries currently without a membership perspective anytime soon, the EU has set up the European Neighbourhood Policy and the Eastern Partnership. For instance, the EU and Ukraine are negotiating an agreement which aims to enhance Ukraine's political association and economic integration with the EU. Such things can bring substantial benefits and be achieved outside the EU enlargement process for now.

There will be no more "big bang" enlargements. The historic mission to reunite East and West Europe has been accomplished. Enlargement policy will now be more tailor-made. Countries will join when they are considered to be ready. There are no longer any deadlines.

The journey of European enlargement and integration is a long one, a mission to join up of a continent once wracked by mistrust and war.

The mental map of the region has been dramatically redefined. Before the Fall of the Berlin Wall, we talked of “Eastern Europe”. After the Fall, it became “Central Europe”. Finally in 2004, its people made that leap of faith across dissolving frontiers and finally joined the “West”.

Now, Ladies and Gentlemen, that’s really making history. Thank you.