

“In ten years Estonia will for the first time have the privilege and responsibility of holding the European Union Presidency, therefore, we must think at least ten years ahead,” said President Toomas Hendrik Ilves today when speaking to the plenary assembly of the European Parliament, where he focused on the capability of the European Union to compete in a rapidly changing world.

According to the Estonian Head of State, it is time to set aside the concept of “new member states” as an anachronism, because there are no new or old members in the European Union today, only member states.

There are major challenges facing the Union and if we fail to meet them, perhaps in ten years, but certainly in a quarter-century, we will lose the relative prosperity that we enjoy today, the Estonian Head of State stressed, and added, “These challenges revolve around the competitiveness of the European Union.”

“We compete within the European Union and in the world,” President Ilves emphasized, calling opening market forces to competitive pressures within Europe as the driver of our competitiveness worldwide.

“Current thinking in the European Union is not a cause for optimism,” the Estonian Head of State declared. “Firstly, the lack-luster fulfillment of the Lisbon Process, our own well-intentioned program for developing innovation and competitiveness. Secondly, the Union’s increasing turn to protectionism, not only regarding the outside world, but also within our borders.”

“Europe is falling behind in innovation, research and development,” President Ilves asserted, saying that innovations come first and foremost from the United States, which depends on draining brains to maintain its high level of competitiveness.

“We are averse to immigration. Our children increasingly chose not to study math, science and engineering,” the Estonian Head of State stated. “We are choosing to close ourselves off from competition within the EU in one of the most competitive sectors of the world economy:

services.”

“Competition—or rather the lack of it—has security implications for the European Union and its members states,” President Ilves said, bringing energy as an example of a field where many countries of the Union are trying to shield their companies from competition and therefore do not support the liberalization of the energy market. At the same time, Europe’s largest source of energy is a country that has proclaimed on its foreign ministry website that energy is a foreign policy tool.

“If we are to avoid subjecting Europe Union members to divide et impera policies or to jockeying for better gas deals, a common Energy Policy is an absolute must,” the Estonian Head of State declared.

“Europe can avoid a gradual decline of competitiveness in a globalized economy, if we do something about it,” said President Ilves, naming the Reform Treaty as the first step, because without Qualified Majority Voting we will founder in paralysis, and without a President and a Foreign Minister, we will be punching far below our weight.

“An example of punching way below our weight is our Neighborhood Policy,” he continued, adding that the neighborhood policy is tied to a fundamental long-term issue—what will the European Union be in ten years time?

“We will not be as large as some of us want, but almost certainly larger than today. To our East and South are countries that will certainly never join,” President Ilves said.

He criticized the Union for increasing assistance to the outside, without conditionality on reforms, and supporting the development of countries that have almost antagonistic trade policies toward the European Union.

President Ilves called upon the European Union to return to the most fundamental of understandings—that national interests are best served when we all give up a little so the Union as a whole can be successful.

He prompted the European Union to look ahead, “We need more courage, we need more of a vision, and an understanding of where we and the world will be in 20 or 25 years.”

The Estonian Head of State also recalled that the history of Europe includes the history of all of Europe, that we are the inheritors of the Europe of Bismarck’s social reforms as well as the Salazar regime. Of the world’s first constitutional democracy in Poland and the brutal internal security repressions that took place on the other side of the wall from the Wirtschaftwunder.

“We must learn to know each other,” President Ilves said. “To know each other’s pasts, only then can we build a future together. This too is our task for the next ten years.”

In conclusion, President Ilves said that Europe is far from complete, we still have so much to do, and in Estonia, in such situations, we say “May we have the strength to do it!”

The full text of the speech by President Ilves is available at [www.president.ee](http://www.president.ee) .

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