

by Toomas Hendrik Ilves

Slowly, ever so slowly, we are realizing, or at least should be, that the fundamental reordering of Europe that began with the crumbling collapse of an overextended and unsustainable communist glaciis in the late 1980s has had far greater and far-reaching reverberations than we then would or could have predicted.

Soviet-style communism, even in the short run an unworkable form of despotism since its imposition in 1917, remained so through its iteration by military force and occupation in Eastern Europe in the 1940s. We know that crony capitalism leads to economic busts but crony communism never really even gets off the ground, just seedy privilege — bigger bad cars, better bad health care, better bad education for the children of the well-connected — justified not by achievement but by self-appointment to bring about a more radiant future, because only the self-appointed party *is capable of giving hope of a better future*

. We will shortly meet this phrase again.

Deng Xiaoping realized already in the late 1970s, a decade before the collapse of what by then was simply a Soviet khrushchyovka of worn-out cards that a society or a country cannot borrow on the future, that productive creative labor is what must needs be allowed, and that privilege without merit leads to Soviet-style stagnation. Deng realized social stratification based on party membership, not on accomplishment, was unsustainable and proclaimed: "It is glorious to get rich." He didn't say, nota bene, that it is glorious to have free speech and free and fair elections. China realized it needed to change and embraced capitalism without democracy. Moscow was more obtuse, at least until the second half of the 1980s.

In the West even fewer got it, telling themselves that East Europeans really liked to be enserfed, and for most of my adult life, I found that people in the West actually had come to believe it. Happy Estonians building the Baikal Amur highway, wholesome Polish plumbers, tanned Lithuanian kolkhozniks bringing in the sheaves somehow lulled people into believing it was "an alternative," a different way to do things toward which we too would move in some kind of utopian convergence. But then communism collapsed and Western Europe was faced with its "Uh-oh, now what?" problem: all those poor cousins at its doorstep and no more barbed wire, wall, or indeed any other kind of gate. A continent of exiles — people who talked about communism just the way the excoriated "emigrés" from the East had been talking, unpleasantly,

uncomfortably for all those years. And even those who didn't buy the convergence myth or the silly Campaign for Nuclear Disarmament line — about Russians loving their children, too, and therefore Moscow harbored no ill will toward the West, and maybe for them freedom of speech is just another term for nothing left to say — well, they were stung.

For 50 years since the Atlantic Charter, those of us East and West who didn't believe it was all okay instead believed the rhetoric that we would all be one were it not for the evil Soviet Union and its lack of democracy, and that we could redeem ourselves from the graceless half century by working hard, speaking freely, following the rules, and doing our homework. We believed that Western Europe yearned for us as we yearned for it, as Aristophanes described in Plato's *Symposium*, two halves of a whole split by the gods, perpetually seeking our other half, to live in a Europe *whole and free*.

It turned out to be much more complicated. With the end of communism it was time to redeem those bonds and vouchers of the ideologized 1940s, 50s, 60s, 70s and 80s. We discovered that to Western Europe the liberation of enserfed and silenced Easterners turned out instead to mean "social dumping" by Polish plumbers in France, and "lazy Latvian" construction workers in Sweden, and in our case — to believe some Finnish newspapers from as late as Spring 2011

, "criminals from Tallinn" disembarking each night in Helsinki harbor by the hundreds — or, the expression I heard in Munich already in 1990

from my Hausmeisterin after my bicycle was stolen,
Heute gestohlen, morgen in Polen
(stolen today, tomorrow in Poland).

Liberation and what ensued turned out to be a conundrum expressed in the German Wessie's pride: "Look at all I have accomplished through hard work" and the Ossie's bitter response: "You were lucky to have that opportunity." Except now we in the East who took the exhortations to frugality, discipline, hard work, and following the rules have discovered that while the West German truly worked hard, saved, and made his country a success, others merely borrowed and inflated their gdp through borrowing.

The view of Eastern "wogs" being the culprits in Europe's difficulties is an attitude with amazing persistence. Its history stretches back centuries; it was resurrected with particular vehemence in the past twenty years, and while we thought it would fade with eu enlargement, it turns out to be

as robust as ever. Just this past November, Jean-Claude Piris, formerly legal counsel of the European Council and a man frequently described as an architect of the eu, claimed in the Financial Times that at fault for all of the eu's financial woes is the too rapid enlargement of Europe to include the formerly communist part. Therefore, he said, we need a two-speed Europe, "because the eu cannot afford to be cast as a symbol of austerity. It must offer a broader political project, capable of giving hope of a better future" (my italics).

In translation, if you didn't get it: What we Easterners call not living beyond our means is not as important as putting on "offer a broader political project, capable of giving hope of a better future." Don't create real value, borrow instead; cook the books, lie to Eurostat, live off others' frugality. It is justified in the name of a "better future." This is the kind of talk we heard in Eastern Europe for fifty years. To justify oppressing their subjugated subjects and their own privileged lives, communists spoke constantly of the Radiant Future as a political project . . . capable of giving hope of a better future. This radiant future, this hope, alas, was always receding. It wasn't the communists' fault, though, that it didn't arrive; it was the fault of communism's "five enemies": the four seasons, and international imperialism. Or saboteurs. Or bourgeois remnants. Following the same (il)logic, it is today we, the East Europeans, who are to blame for the borrowing policies of some older member states.

As a child I would watch on my refugee parents' second-hand black-and-white tv reruns of Popeye, a World War II-era American cartoon whose primary message seemed to be that eating spinach made you strong. One supporting character, Wimpy, was a pot-bellied sad-sack whose only line, repeated from cartoon to cartoon, sums up the attitude that led us in Europe to where we are today: "I'll gladly pay you Tuesday for a hamburger today."

Of course, we need not impute to all of the eu what an "an architect of the eu" says, but we know from the housing projects and council estates that ring the city of every formerly communist country what bad architecture can produce. More importantly, we know how widespread this attitude in fact and unfortunately is.

The question that arises is: Who will pay for Wimpy's hamburger today? For that matter, how will Wimpy pay Tuesday? The problem Europe now faces is whether it can maintain this ever-receding dream of a radiant future and paying on Tuesday. I am particularly concerned by the chorus of whispers that financial responsibility is a threat to democracy, that the democracies in some countries that have to undergo severe fiscal adjustment cannot withstand these calls for financial probity. That, as the architect implies, democracy in Europe is something that others must pay for, an attitude repeated in obscene caricatures of Angela Merkel bedecked in a swastika.

It strikes me as especially odd that anyone should be speaking of too rapid enlargement. We Easterners will not be, if the Commission's current plans for the eu's next Multiannual Financial Framework remain, even equal before 2028, a quarter century after enlargement in 2004.

Today countries like mine or Poland have been in the eu

for as long as Sweden, Finland, and Austria were when we joined. Yet no one referred to them then as "new" members. The persistence of the East-West divide within the EU to this day smacks of a politically correct dogma students have picked up in, say, their schools of architecture.

The foregoing discussion is eurocentric. Perhaps too much so. It does not take into account everything else that is changing no less rapidly than the collapse of confidence in the ability of profligate European states to pay back the money with which they financed their borrowed prosperity.

Much else has changed in the twenty-plus years since the collapse of communism in Eastern Europe. Today, China's becoming the largest economy in the world is already in sight. Already that small percentage of Chinese enjoying a Western standard of living — let us be conservative and say 10 percent — is a population the size of Germany and France combined. Brazil, India, and Turkey should also be generating growth-envy in Europe.

The rise of China, however, has had one profound impact too often ignored in discussions that focus narrowly on the economic importance of that country: on Europe's relations with the United States, the principal political and security partner of Europe since World War II. For much of these past 70 years (or at least after the end of the Marshall Plan), the U.S. has been Europe's foil, the contrasting "other," a counterpoint with which to distinguish oneself, set oneself apart from the crudities of Popeye. Jacques Derrida and Jürgen Habermas in 2003 even proposed that anti-Americanism be the foundation of the beginning of a genuine European foreign policy (patronizingly chastising East Europeans for being so churlish as to support the United States).

Be careful what you ask for. For indeed we are getting it, a U.S. receding from Europe, reorienting itself to the Pacific. "Re-prioritizing" would be a more neutral term, but it is a withdrawal, a disengagement, a reorientation, an abandonment of romance and idealism and a turn to realism, hard-headed and rational.

We Europeans all misjudged. European anti-Americanism for half a century among the cultural and often political elite was sustained by the implicit assumption of a permanent and hence easy-to-belittle presence. They can be bashed because they would always be over here. Pro-Americanism, Eastern or Western, was simplistic, un-European, a sign that you were not quite right or a stooge. Politicians forgot that national interest and contributions in troops, materiel, and finances, not assumed commonality of values, are what sustain an alliance.

We here in Europe and even our friends, the transatlanticists in Washington, now realize that the U.S. presence, its interest in us, was not a done deal forever. Indeed, now that it is drawing — has drawn? — to a close, it is worthwhile to recall that for a long time, we were the most important partner for America. Henry Luce in 1941 famously declared the 20th century the “American Century,” calling upon the U.S. to abandon its isolationism and to defend democracy beyond its borders. So it did. And the next 70 years in American foreign policy represented an uncharacteristically “European Century” for Americans.

From 1776 to 1917, the U.S. assiduously avoided continental entanglements. As Robert Kagan points out in *Dangerous Nation*, his history of the first century of U.S. diplomacy, the tradition was to avoid unless absolutely necessary any involvement in the outside world. Trade yes, politics no. Militarily, to defend only narrow U.S. interests, not ideas or ideology. Even World War I for the United States was conceived and executed as a one-off involvement followed by a rapid turn inward and back to America’s longterm standoffishness and noninvolvement in European affairs.

It was World War II that brought the United States to Europe, along with the often resented but always taken-for-granted commitment to be here and defend us and democracy. This American commitment was always implicit not only in European decision-making but in the American commitment to its security, in manpower as well as defense expenditures. Nowhere else has the United States committed so much of its intellectual, economic, and security capital as to Europe: militarily in World War II, a commitment that continued throughout the Cold War; economically with the Marshall Plan; institutionally through nato; and politically at all levels — Europe has enjoyed the status of a privileged partner.

This, we must realize and face up to, is changing. Completely. More than twenty years after the fall of communism in Eastern Europe, the generation of political leaders with firsthand Cold War and European experience has passed from the scene. Even for those for whom détente or rollback represent more than textbook terms, the period from 1989 to 2004 was a mopping up

operation to get countries firmly into the democratic fold after 50 years of totalitarianism: nato expanded, the eu enlarged.

From the American perspective, "mission accomplished" captured the sentiment. Europe had ceased to be a problem, or at least one the best and brightest in Washington lost sleep over. With China rising to claim its place as a superpower, replacing the ever-less meddling, more middling Russia; with al-Qaeda, the threat of proliferation of wmd and terrorists attacking the U.S. proper, it was assumed that Europe would do its share. At least in its own backyard.

Yet as we have seen, with every conflict involving the West, from Bosnia twenty years ago to Afghanistan today, that assumption has been mistaken. Jacques Poos, foreign minister in the Luxembourg eu presidency, famously declared in 1991 before the Balkan Wars, "the hour of Europe has dawned." In Bosnia and Kosovo, Europe required U.S. leadership to resolve the crisis; we needed Richard Holbrooke to orchestrate the Dayton Accords. We went in to Afghanistan only when the U.S. decided we needed to. We cut back our defense expenditures, we scaled back our militaries. We came to believe that Immanuel Kant's "Perpetual Peace" had been achieved in our lifetime and never thought back to who else in Europe once thought so, too.

Europe got the American president it thought it wanted in 2008, believing for some bizarre reason that a black president who had lived abroad as a child would be less patriotic, hence more "European," more "multilateral." Europe only now is coming to understand that Barack Obama is no less a custodian of U.S. national interest than any of his predecessors, that he represents a long, very long, tradition. What Europe has not quite yet come to grasp is that Barack Obama is the first U.S. president since Calvin Coolidge with no real European or Cold War experience, personal or familial. This has nothing to do with Barack Obama; it is the result of a generational change, and a change in the challenges the U.S. finds itself facing. When we in Europe come to understand this, we will also understand that the European Century in the United States is over.

One could see this, and some of us have, for some time already, but if there was any need for confirmation it is to be found in Hillary Clinton's essay in the October 2011 edition of Foreign Policy called "America's Pacific Century." Clinton is quite clear about why U.S. national interests lie not in Europe but Asia:

The Asia-Pacific has become a key driver of global politics. Stretching from the Indian

subcontinent to the western shores of the Americas, the region spans two oceans — the Pacific and the Indian — that are increasingly linked by shipping and strategy. It boasts almost half the world's population. It includes many of the key engines of the global economy, as well as the largest emitters of greenhouse gases. It is home to several of our key allies and important emerging powers like China, India, and Indonesia.

The U.S. has other problems, real problems, and if they have one in Europe it's that we don't want to pay our part of our own defense or contribute the necessary manpower or equipment. In his valedictory speech to nato in summer 2011, outgoing U.S. Secretary of Defense Robert Gates said:

The demilitarization of Europe — where large swaths of the general public and political class are averse to military force and the risks that go with it — has gone from a blessing in the 20th century to an impediment to achieving real security and lasting peace in the

21st . . . Not only can real or perceived weakness be a temptation to miscalculation and aggression, but, on a more basic level, the resulting funding and capability shortfalls make it difficult to operate and fight together to confront shared threats.

This European demilitarization, combined with the absence of any threat emanating from Europe and serious threats indeed coming from the Middle East, Central Asia, and China, means that we in Europe are not high on the agenda. The transatlantic relationship has no passion, and as this trend continues, we Europeans will find we no longer have a real constituency in this or the next administration, Congress, the media, or public opinion.

Of course we can always find a problem, if we try hard enough, that will get Washington's attention. As a senior foreign ministry official from a large unnamed European country answered Estonia's ambassador when the latter complained about a lack of attention to us: *Machen Sie eine Krise. Make a crisis.*

We seem to be doing just that right now with our handling of Europe's financial crisis. The U.S. has woken up to how dependent its financial and economic health is on what happens today in Greece and Italy. Yet it is hardly comforting for Europeans that the choice seems to be between an America disengaged from Europe and an America reengaged because Europe is in crisis.

We are in the midst of an ongoing and fundamental reordering of Europe. Which means that we can and indeed must do those things that we have feared to do in the past.

A primary issue here is the fundamental divergence in the eu between institutional arrangements and performance. There is increasing talk of a "two-speed Europe," a division between the eu-17 (the countries that use the euro, with the attendant treaty obligations) and a slower noneuro periphery. Yet it strikes me that the institutionalized, treaty-based "Eurogroup" is within its confines far more heterogeneous than the eu-27; that within the eu-27 there is an altogether different and separate subset, a coalescence (if not yet a coalition) based on fiscal responsibility: low deficits, low borrowing, a willingness to make needed changes in policy to ensure competitiveness and sustainable growth.

I cannot be the only one to be struck by the glaring fact that the Nordic-Baltic-6, comprising two Eurozone countries, Finland and Estonia, and four non-Eurozone countries, Latvia, Lithuania, Sweden and Denmark, actually share much more in attitudes and choices than the Eurozone overall. All six countries are for sound spending and borrowing policies, all six have shown a willingness to undertake needed reforms. We who are in the Eurozone in the nb-6 have a fundamental obligation to ensure that the common interests of our neighbors are not ignored by the eu-17. Of course we in Estonia also anxiously await the eu-17 to become an eu-19 and an eu-21 with Latvia and Lithuania, as well as Sweden and Denmark, taking their place at the Eurozone table, which today is becoming an ever more important decisionmaking body within the eu. Moreover, Poland, outside of the eurogroup, follows fiscal policies more in line with the nb-6 and its eurogroup members than a number of euro-using countries.

Of course, our geographies and geometries are far more complex. Within the euro or eu-17 there is a divide between (on one side) Germany, Austria, Finland, and the Netherlands, a core of Triple-A, net-payers, plus a second tier of Slovenia, Slovakia, and Estonia, neither Triple-A nor net-payer (yet) but nonetheless sticklers for fiscal discipline and following the rules. And on the other side, countries such as Greece, Italy, Spain, and Portugal that for a variety of reasons have failed to follow the rules. In between there are euroarea members such as AAA Luxembourg, AA+ France, and AA Belgium, net-payers (at least as of the next financial period) whose positions on fiscal discipline are somewhat more ambiguous. Finland's European Minister, Alexander Stubb, has proposed a new "geometry" according to which political leadership in the Union would rest with the triple-A group.

All of these versions of "variable geometries" represent possible futures, not clear choices. The probability of the various outcomes will change dramatically with the fortunes of the euro and the ability and willingness of countries to enact necessary reforms that, as Estonians know from

our own experience, are necessarily unpopular, at least in the short run.

We would not be in the mess we are in today in Europe if a large number of fellow member states had not taken a fundamentally different tack to thrift, deficits, and borrowing than what they themselves agreed to only a couple of years earlier. My country would never, ever have been able to adopt the euro had we done what was standard operating procedure among many members of the eu-17. At the same time, I would aver that there is little in the fundamental approach taken by Germany, the Netherlands, Estonia, Finland, or Austria that differs from what such noneuro countries as Sweden, Denmark, and Poland have been doing.

Thus the institutional arrangements and the behavior of countries do not jibe. I submit this is unsustainable. For ultimately, the inability or unwillingness of parts of the eu-17 to submit to agreed-upon rules will be defended by an appeal to the position that "our democracy cannot withstand the kind of austerity demanded of us." The first shoots of this position we have already seen emerge. Yet let us be clear about what this means: Fiscally responsible countries will be asked to support fiscally profligate countries in the name of democracy.

You can do it for a while, but if you are a country like Estonia, where the gdp per capita is almost the same as Greece but where the average salary is lower than the Greek minimum wage and where the pensions and agricultural supports within an internal market are three times lower, it is a matter of time before our voters revolt. The government in my country and the opposition voted to support the European Financial Stability Facility to aid a country richer than us and profligate. Three quarters of the parliament voted in favor. But, note: 75 percent of the population was against.

Here we see in my own country the first seeds of the populism that has recently caused concern throughout the north — in the Netherlands, in Denmark, in Sweden and most recently also in Finland. Sorry, it's not just the democracies of the south that are under threat. The bankrolling of Southern Europe has already and ever-increasingly threatened the fiscally responsible countries, the ones who have shown solidarity and voted to commit to bailing out those better off than we. Moreover, while much has been made of the change of governments in countries that broke the rules, far too little attention has been paid to what to my mind is a far more significant reverberation: the fall of a responsible, poor, *new* member state government coalition (in Slovakia) that made the hard choice and voted to support a country richer than it is, all for the sake of European solidarity.

That I submit is a problem, a serious problem and a threat to Europe we have only begun to realize. When we still talk about new and old members, we still talk nonsense about “populism” in all the wrong ways. Indeed I believe that the “populism” and the “specter of the 30s” that all kinds of pundits unknowledgeably appeal to has nothing to do with the populism we see in Northern Europe. That is not a populism of the dispossessed, the unemployed. It is a populism more akin to what Calvin and Luther appealed to than what the fascists of the 1930s appealed to. It is, like most populism, based on resentment, and resentment at unfairness. But the unfairness is, as it was in the 16th Century, a resentment of those who flaunt their flouting the rules by which others abide. Resentment on the part of those who take commitments seriously regarding those who do not: Is that the “specter of the 30s”?

I cannot and will not accept any labels applied to Northern Europeans for being “populists” when they have been doing exactly what has been asked of them. The price of following the rules for a “poor” country like Estonia has been harsh. Yet if we subtract the fake wealth of the “rich,” the ones who today cannot pay their debts, who have borrowed their wealth, are they that much richer than we? If part of being European is playing by the rules, that is, following the rule of law, then how can “European Solidarity” ever take precedence over the rules? It is a tough one.

Estonia, I firmly believe, should not only do its part, it should be one of the more understanding countries regarding others with difficulties. Solidarity, after all, was what we were denied in 1940, and our belief in the need for European solidarity is what lies at the core of the Estonian belief in Europe. But for it to work — in Estonia, in Poland, in the other “new countries” who have been eu members long enough to be taken seriously — we need an end to categories that bear no relation to reality. Indeed, we should be among those in the forefront explaining that unless Europe understands responsibility there will be no solidarity, that there is no possibility any longer to promise to pay anyone Tuesday for a hamburger today.

Toomas Hendrik Ilves is the president of Estonia. He has previously served as Estonian foreign minister, member of European Parliament, and the ambassador of Estonia in Washington.

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