

Transatlantic Relations 2010 - Speech at the Conservative party congress

2006-10-02



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The Transatlantic Relations 2010 – speech at a seminar at the Conservative party congress in Bournemouth Monday the 2nd of October 2006-10-02 by Gunnar Hökmark, MEP and leader of the Swedish delegation to the EPP-ED

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Ladies and Gentlemen,

The year of 2010 is no longer a matter of a distant future but rather a matter of tomorrow. So I think it is fair to say that in a formal way the transatlantic relations will be very much the same as today, but it is possible that we today do not appreciate and understand how deep they in reality has developed between our continents. Truly, the economic integration has never been as deep as it is today and the pace of our economies integration never so fast.

The mutual ownership in our two economies accounts for more than 1 trillion dollars in both directions, 60% of our two continents' foreign investments goes across the Atlantic and the trade is increasing, with intra-trade, trade between companies and their cross-Atlantic affiliates, accounting for more than the half of exports and imports.

We are closely tied to each other's economies in a way that contributes to our competitiveness and role in the global economy. The pace of integration during the last decades has increased instead of decreased, despite discussions between the EU and the US and a number of political conflicts. We are today closer to each other than ever.

Till 2010 the big change will be when the political debate, the transatlantic dialogue and our common policies catch up with this reality. And that will be a big change for the transatlantic relations.

But the transatlantic relations will also need to catch up with the full magnitude of change in the world around us and the challenge this is for the today dominant part of the global economy. That will lead us to the question of how the world will look in 2010, or even how it looks today.

It is a difficult question to answer. We are still so used to the simple and transparent political pattern of the cold war. The enemies were on the other side of the borders. And the borders were geographical and easy to point out. Behind them were dictatorships and planned economies, societies that were more or less closed to us and closed for their citizens. Less so for us than for themselves. Trade, cultural contacts, political contacts and all contacts between our societies were matters of controlled and administrative decisions on the preconditions of the dictatorships. It was us, them and the others living in the so called undeveloped world where poverty was combined with political weakness.

This was the divided world that once gave way for the concept of the Third world

which presumed the existence of the Second world and the First world.

And we were the First world, unchallenged regarding political strength and economic dominance, only challenged by the Second world regarding military force and capability of destruction.

Today we have only one world and we are all in the middle of it, wherever we are. This means that wherever we are, we are exposed to the competition, the knowledge, the science and the production of global goods and services, at the same time as we can reach the whole of the world wherever we are.

Some parts are wealthy, and some less so. Despite these differences, poverty is not a function of divided world but of how much we reach other parts of the world.

The impact of the change is tremendous. Regions formerly dominated by poverty have today won the war against misery and have reduced the ratios and numbers of poor. Development of science, research or products in China, India or Brazil does not take place in another world - it is a part of our world. None of us are acting in a closed world on own preconditions anymore. We are all acting at the same level, with the same opportunities and restrictions. And with that as a background I think we can define three trends that are of great importance.

The first is about the globalisation and its economic consequences.

In 2040 China will be the world's biggest economy. In 8 years time 800 million people will be middle-wage earners in the so called BRIC-countries only, that is Brazil, Russia, India and China. They will be middle-wage earners measured by our standards, not by theirs.

This gives a picture of the change we are experiencing now and of its magnitude. It is not very much a question of the future, but rather of present or of tomorrow. It is shifting the balance of the global economy from us and the transatlantic economy in the direction of the emerging economies. And this is really not a problem, only a challenge for the vitality and dynamics of our economies. Never has the world seen such big consumer markets being opened up, and never have we seen such an enormous increase of labour supply on the global market. And we can benefit from both of these phenomena if we keep up the change.

The transatlantic economy provides us with the opportunity to take the lead in this global development, without having to fear open markets and competition but with readiness to share our knowledge, our products and services with others.

The second trend, though, is a little bit more problematic and underlines the necessity of the transatlantic relations, and is taking place under the surface of globalisation. It is the fact that dictatorships and grey-zone democracies will also enjoy economic growth due to globalisation of a kind that their own political systems couldn't create.

Globalisation makes it possible for dictatorships and non-democratic regimes to meet the efficiency of market economy and free trade without having the free and open society as a fundament for the economic development.

And in countries who do not wholeheartedly apply the rules of market economy, rules of law and respect for human rights there is a threat that the wrong forces make use of the economic growth, accelerating corruption, undermining democratisation and letting growing prosperity be misused for other purposes

than for the best of the citizens.

It will mean that the global dominance of democracies, thanks to their leading economic role of today, will be weakened and that the economic role of dictatorships will be strengthened, all others equal.

So it is not only the economic balance that is shifting in the world, we can also foresee a change of the balance between democratic ideas and dictatorships if we cannot manage to support democracy even more in the parts of the world where it is questioned. Dictatorships will otherwise be a stronger part of the world economy than ever and grey-zone economies, with the instability they bring about, will play a more important role. Surely this is weakening the ideas of democracy and undermining the world moving towards democracy.

This is even more problematic due to the third trend, where we can see totalitarian islamism emerge as a threat to open societies all over the world and as a destabiliser to peace and security.

It is clearly visible in the Middle East, in Iran as well as in southern Lebanon, in the West Bank as well as in the streets of the capitals of the Arab world. The Muslim Brotherhood in Egypt, the Talibans in the valleys of Afghanistan, the madras schools in Pakistan and Indonesia, the Hamas in Damascus, in Gaza and Ramallah , the Hezbollah in the Lebanese government, the demonstrations outside western embassies in the Middle East and corresponding movements trying to make their way in Turkey as well as in Bosnia.

It is a totalitarian movement, not a religious one, calling for oppression and denial of human rights, expressing hatred against western nations and open societies, hailing violence and martyrdom through suicide bombings. We can see the consequences of their beliefs and hatred in endless murders and blind violence in Baghdad, terror strikes in Bali, Madrid, London and Ankara as well as in Tel Aviv and Haifa. It is an extremist movement, similar to the emergence of Nazis or Communists with very much the same aim, using hate and confrontations in order to impose totalitarian rules on the people of their own as well as on others.

There is, if I may phrase it so, a Totalitarian Veil falling down over some of our civilizations' most ancient cities like Teheran, Damascus, Baghdad, Beirut, Bethlehem and Cairo but it also casts its shadows over cities like London and Madrid and it covers the light of democratic ideas in the suburbs of most of our European cities.

Under that veil emerge the ideas of oppression and dictatorship, terror and threats against others, censorship or self-censorship, hatred and violence but also a state where no one knows who is a friend and who is an enemy. This veil is not dividing societies or countries from each other but it is dividing people. It has no geographic borders and cannot be seen as an outcome of neither Arab, Iranian nor Muslim civilization, not more than Communism was a consequence of Western civilization and Nazism a European identity, but it is emerging in the Muslim world and is in power in Iran, in the West Bank and in Southern Lebanon. And it can suddenly by an overturn of old regimes enlarge its dominance in some other countries.

It is destabilising the security of all parts of the world where it covers countries or where we can see its shadows, either by threats of terror or by the threats of the overturn of regimes.

It is a threat to world peace. It hinders open dialogue and transparent policies. It

is by definition opposing enlightenment and instead fostering of hatred, racism and violence.

The impact of Iranian development of missiles, the exports of weapons to its agents in Lebanon and other places, its financing of terror, and the threat to eliminate a nation is a sign of what could be coming. The development in Iraq, Afghanistan, Lebanon and Syria is alarming, the worries in Egypt, Saudi Arabia, Indonesia and Pakistan demanding a new era of containment, not in a geographical sense but in an ideological.

As once the Iron Curtain was directed against the people behind it, the veil is hindering development, splitting societies and reducing individuals to objects for others aims and visions.

It calls for a new era of transatlantic cooperation with consistent policies and continuous economic growth. We need to influence in order to ensure that the road to prosperity is used for the democratisation and stabilisation of open societies. To succeed we need to be strong economically as well as politically. The voice of democracy in the world must be coherent and consistent, setting the standards for democratic countries, drawing the borders for dictatorships and facing the totalitarian challenge.

A strong transatlantic relation, strong in economies, strong in growth and strong in innovations can take the lead in a globalised world and put increased strength to the values of an open society and democracy.

By using the economic strength to ensure that the rules of the WTO and rules of competition that we more or less share we can contribute to the decoupling of business and industry from state, securing the deepening of sound market economies in countries like China or Russia.

Russia is, for example, a society that would prosper from the competition rules of the EU applied on the gas- and petroleum industry. Such rules would benefit democracy and a Russian market economy as well as Russia's relations with Europe. It would contribute to the independence of Russian business life from the Russian state.

Although we must stand firm defending free societies against terror and violence our main challenge is how to develop the soft power of the transatlantic economy, the power of innovations, of trade, of open society and of leadership in a globalised world in order to strengthen the ideas of democracy and freedom, to lift up the veil and to cast light and hope over all people that today live their lives in its shadows and darkness.

At the same time Europe must be more ready to contribute to peace operations where they are needed. We cannot claim that we should share the political agenda if we cannot contribute with military resources for peace and stability that will be needed.

The threats of totalitarian Islamism and the development of economical strong dictatorships that do not want to draw the line against totalitarian movements and rouge states are calling for action. We need to increase the relative strength of democratic market economies, to defend the leading role of the transatlantic economy, to make its achievements more attractive, to make its institutions more inspiring, and to set the ground for its rules in economy and its division between state and business as global as possible.

We should aim to be so strong that the examples of democracy, freedom of speech and distribution of power will influence the emerging economies of today to be the democracies of tomorrow. That would be a contribution to the containment of totalitarian ideas wherever they reside as well as to stability and peace.

This cannot be done by Europe alone, it cannot be done by the US alone and it will not be done by those regions and countries of the world where democracy is not in the fundament of society. The transatlantic relations are a unique opportunity as well as an obvious necessity. Therein lie the strength of the transatlantic relations in the future.