



## Transcript

# The Role of Smaller EU Member States in the Post-Lisbon Environment

HE Karel Schwarzenberg

First Deputy Prime Minister and Minister of Foreign Affairs, Czech Republic

Chair: Lord Wallace of Saltaire

Government Whip, Spokesman for Foreign and Commonwealth Office, Ministry of Defence  
and Home Office (Security and Police)

13 October 2011

The views expressed in this document are the sole responsibility of the author(s) and do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the author(s)/ speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions, but the ultimate responsibility for accuracy lies with this document's author(s). The published text of speeches and presentations may differ from delivery.

## **HE Karel Schwarzenberg:**

Do not worry, I will not treat this topic to argue that the smaller or mid-size countries like the Czech Republic do really play an important role in the EU. (Of course they do – no question about that). I want to elaborate on the position of smaller states within the EU, on what the current EU environment means for them and how the consensus is being crafted among big and small actors.

At the beginning I will answer the opposite question to what is my topic: 'The role of the EU for smaller countries'. Here I should say that the multilateral bodies like the EU are advantageous for smaller states, especially when there is a consensus based decision making process. The EU environment gives in some areas (like Common Foreign and Security Policy) formal equality of all members, rule based and predictable environment and it also has some protective effect (which in NATO is a core task).

In this respect the position of smaller states is much more comfortable today than, let's say 100 years ago, and it is understood that the inclusive multilateral arrangement helps to keep stability. From its beginning the EU was formed by big and small member states. It was not created only as the 'entente' between great powers, but also as the inclusive, rule based community of states. Smaller states ceased to be the objects of the big power politics and are having their voice. Occasionally they can even be a driving force behind some issues.

Since the big enlargement in 2004 the share of small or mid-size countries in the EU dramatically increased. As a matter of fact – the decision making in 27 is really difficult. I think the person who invented the notion of 'effective multilateralism' had a great sense of humor. Multilateralism is never particularly effective. More chairs around the negotiation table usually means a less strong final deal and more hours spent behind the table.

However there is something very precious in classical inclusive multilateral discussion: the final deal does have legitimacy for all the participants and they all do carry the responsibility for the common decision. Thus there is a natural tension between legitimacy and effectiveness and often there is temptation to increase the effectiveness which leads to decision making of smaller group of countries. We see it at global level in G8 or G20 and within the EU we see it too.

An example of that is the recent Franco-German lead in looking for solutions of the eurozone crisis. It is evident that the issue is so serious that it needs

effective decision making and leadership. But it is very obvious that the issue is so serious that the decision needs legitimacy above all. There should be this common responsibility and ownership by all concerned – big and small.

We should be very cautious to make sure that on the quest for a short term increase of confidence of financial markets we will not decrease or lose long term confidence of the people in our countries.

Speaking about the eurozone and potential dividing lines: in fact the membership in the eurozone can become the most important dividing line within the EU in the future. It leads across small and big – it leads between Czech Republic and Slovakia actually.

There is a lot of discussion about two-speed Europe but the European Union is still developing; if you wish, on the road. The rules of the road traffic tell us that on the highway the slower lane is often leading to the exit. The question is whether we really want this to happen.

The EU goes through deep transformation. In addition to the process of more integration of the eurozone we still digest the new Treaty. The Lisbon Treaty changed the rules and still we look for the new balance, first among the institutions, second between institutions and member states but also third between member states including big and small member states (here I would argue that big member states gained more influence).

The rotating presidency almost disappeared in the area of CFSP and overall its role has decreased with the reinforcement of other players and especially the European Parliament. Its authority is decreasing in other areas and the special place here has ever more intensive coordination of eurozone. Thus, Polish presidency – which is doing great job – is not able to be part of the most important process in the EU and the Danish presidency will be in the same position.

The institute of rotational presidency has more beauties but one of them is some kind of 'equalization' of all EU countries when big and small are equally able to set the agenda for six months and chair the club. In this respect the post-Lisbon environment is more challenging for smaller member states.

One of the key working methods for smaller member states is to create coalitions. It is good to know that the weight of the Visegrád Four countries is equal to the weight of France and Germany combined. But of course it is the interest which is setting the coalition and not the size. Therefore smaller countries themselves are not a coherent group and the division between small and big is only latent. There are many areas where we form a coalition with

the UK – the EU enlargement, growth agenda including the negative opinion about FTT, internal market, energy security and other areas.

In addition, smaller member states have strong opinion about their priorities and they are able to engage themselves selectively in those issues which are for them somehow important. Mostly the voices of smaller countries are divided into more camps. If you look at the discussion about the next EU financial perspective the main division goes between net contributors and net payers – which is one of the key dividing lines among smaller states – not between big and small. Within the CFSP, whatever issue you take from the Middle East Peace process to Kosovo you will not find the coalition between small opposing big.

Speaking about CFSP: despite the fact that this policy *is*, and should remain, intergovernmental, the new External Action Service is in charge of the agenda setting. Therefore it is crucial for a country which wants to play a role to have diplomats within the Service. It is important for understanding the EEAS itself, how it works and to be more efficient in working with it. Unfortunately since the main method of staffing of the External Action Service was a block transfer from the Commission, especially new member states are heavily underrepresented. For the Czech Republic it is the special case in the EEAS headquarter where we really almost do not have people.

Our ambition is to have within the EU a strong voice for responsible policy which would be heard and respected by others on the priority issues for us. Today I would put among those priority issues: strong transatlantic relations, support for democracy, Eastern Europe, energy security, EU enlargement. Of course those days on the top of all priorities there is the solution of the eurozone crisis, fiscal responsibility and emphasis on single market and competitiveness.

Here our ambition is to engage and to be engaged. The history is showing us that the receipt for the best strategy for the future is not always a domain of big countries. Good strategy is being crafted taking into account multiple factors and historical experiences. Therefore I believe the inclusivity of decision making in the EU not only brings legitimacy but also contributes to the strategic thinking.

Harry Truman was once said that ‘the greatness of the country consists in serving the world.’ I believe that in this respect the smaller and mid-size countries can be great regardless of square kilometers of their territory or size of the total population. It depends upon themselves how they serve their own people and the world.