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***“Does a more democratic EU equals a more competitive EU? The chances for
Central European Member States”***

***Visegrad Insight event “Central Europe on the Conference on the Future of
Europe”***

Warsaw (online), 18 February 2022

The European Union is a democratic construct. It did not just happen. It was built on the ashes of the Second World War, with fresh memories of the First World War. We also know cases of dictatorships and autocratic regimes that reach high level of international competition. But, competitiveness that is based on coercion and power-based industrial relations has short legs.

Having said that let me underline that democracy facilitates long-term modern competitiveness that goes beyond productivity. Democracy starts with values and respect of the rule of law. The Union has always been a community of law. That makes the EU credible internationally. Abiding by rule of law ensures an environment based on stable procedures in which our businesses can thrive. This is also transposed at the international level, with the World Trade Organization, which fosters an open, inclusive, rules-based and non-discriminatory multilateral trading system.

Without a stable environment ensured by the rule of law, we would be living in a worrisome and fragmented world based on power politics without a level playing field for our companies.

For our companies, losing this level playing field would mean having to compete against economic actors that do not respect basic market principles and benefit from unregulated market-distortive measures imposed by state-regulated economies such as China. If trading rules are applied through a power-based prism, we risk creating zero-sum games, which would especially hurt weaker economies.

In the ongoing international technological race we are in, it is the EU's duty with like-minded partners to fly the flag of our democratic values and ethics while shaping common regulatory spaces to promote healthy economic competition.

Since 2017, the Union has concluded trade agreements with Canada, Singapore, Japan, Vietnam, MERCOSUR, and the United Kingdom. The Union has also modernized its agreement with Mexico. All these agreements include robust social, environmental, labor and human rights protection clauses.

However, most of these agreements are applied only provisionally, as they still await national and regional parliaments' ratification.

This greatly risks undermining our credibility and somehow hinders our so-called "Brussels effect". This needs to change as the Union cannot defend European values and enforce rules that are not in force at home.

Democracy gives freedom to citizens, who make choices liberating their talents, boosting open-minded innovative attitudes. Democracy means having free media stimulate a culture of openness and decency. It facilitates education and is fit for a changing environment.

Democracy empowers local communities, civil society's spirit and organizations.

With the Conference on the Future of Europe, we have embarked on a path toward representative democracy benefiting from participatory democracy. Citizens' political empowerment boosted by their participation in European decision-making makes European democracy more resilient against populist and anti-European politicians that bend democracy to their partisan needs. So, indeed European democracy can be sort of "more democratic" through its deliberative dimension.

This democratic booster can help improve Europe's position in the world. The EU needs to be a credible and reliable trading partner. The globally competitive, climate-friendly, socially sensitive and respecting democracy EU can be better equipped to face global geopolitical changes.

I do not have a crystal ball to see what will be the EU position in the world in the future. What I know for sure is that it will be about what we, Europeans, will do of it together. Europe has never been just happening. It has always been made by

women and men adjusting to internal demands and expectations, to global challenges, and also shaping them.

Today in our current geopolitical environment, the EU must stand ready to act assertively in defending its interests and enforcing its rights.

It is vital that our trade policy protects our Single Market, our European companies, and our European workers, from unfair competition and distortive trade practices of third countries, in particular those reaching out to coercion actions.

We must continue to be a staunch defender of the multilateral trading system, with the World Trade Organization at its core. The EU should continue to spare no efforts to guarantee that trade functions in a rules-based environment, founded on predictable norms and stable procedures. Only such an environment creates a win-win situation across the world.

Globalization has lifted millions of people from poverty, but it also strengthened inequalities. We need to make globalization more sustainable and socially fairer to deliver on the expectations of people. Citizens see that trade is at the intersection of many pressing and urgent challenges affecting their everyday life. Trade policy can be an accelerator for positive change in our response to tackle climate change, address environmental concerns, promote labor and human rights globally, and ensure the security and resilience of supply chains.

To achieve that we will need to navigate in a stable international regulatory environment. We will need to talk regularly with our trading partners so that different jurisdictions can contribute towards achieving these objectives.

The EU institutions must better communicate about trade policy with our citizens. The TTIP experience taught us that citizens do not feel informed about how we negotiate our trade agreements, which created a lot of resentment at national level.

We must improve our internal communication habits to ensure that all those potentially affected feel informed and prepared.

Trade policy is an area where Member States willingly pool their sovereignty recognizing that their collective power is far greater than the sum of their individual powers.

I remember when we joined the Union and I had the honor to be our first Commissioner, at that time in charge of trade policy, I realized that what this Big Bang 2004 enlargement brought to the Union was the attitude of the “sky being the limit”. After this bold and painful transition to market economy and democracy, we saw everything as feasible and doable. That facilitated our benefitting from everything that EU membership offered. We pioneered in reforms and we used effectively European funds.

We, at citizen and political level, cared about Europe, respected its values and principles. They were ours. We felt co-owners of Europe, participated actively in its policy initiatives, appreciated the need to accelerate our structural transformations to catch up with other member states.

Today, I deplore that the political authorities do not follow the needs of citizens and reject the civilizational chances offered by the membership. This huge development potential allowing us in the first twelve years to leapfrog and exploit this historical chance for Polish citizens to catch up has been blocked for the last six years.

Our enduring commitment to the rule of law is gone.

This is one of the foundational values of the Union and the basis of a healthy, well-functioning competitive environment. It used to be the foundation of the Polish business ecosystem. We can lose its benefits from damaging our credibility as a trade partner.

To remain competitive at the international level, it is fundamental for us to be part of what the EU is doing to protect our economy from unfair trade practices and ensure a level playing field. This implies supporting domestic policies to strengthen the EU's economy, especially as we are recovering from the COVID-induced crisis, and help position the EU as a global leader in pursuit of a reformed international trade rules-based system.

Poland has no other option but to realize that we are all in one boat in the middle of a stormy ocean. Jumping out of it is not a good choice.