**Finland’s EU policy**

**Finland was not involved in the establishment of the European Coal and Steel Community (ECSC) or the EEC in the 1950s but we recognized these new European institutions diplomatically in the mid-1960s when our Embassy in Brussels was authorized also to act as our Permanent Delegation to them.**

**In those days, Finland and the UK were both part of the European Free-Trade Area EFTA. During Harold MacMillan’s watch in 10 Downing Street, the UK had made attempts to join the EEC but had been blocked by France i.e. General De Gaulle.**

**Georges Pompidou’s entry into Elysée Palace in 1969, together with Prime Minister Edward Heath’s strong pro-European push from the UK, opened the door for the first enlargement of these European Communities in 1973. Together with the UK, Denmark and Ireland also joined at that time. Norway also concluded her negotiations on accession, but the deal was defeated in Norway’s national referendum. Finland and the other EFTA states – Switzerland, Austria, Iceland, Portugal, Liechtenstein, Sweden and Norway – concluded free-trade agreements with the EEC/ECSC at that juncture.**

**Finland’s foreign trade was then, as today, predominantly directed to Western Europe which meant that it was vital for us to secure free access to those markets and equal competitive position for our exporters.**

**Nobody in Finland talked about joining the EEC in those days. Europe was then still divided along East/West lines, Finland pursued foreign policy of neutrality, and our eastern neighbour the Soviet Union saw the EEC as a political foe, a kind of economic arm of NATO. Finns knew that the Soviet Union would put heavy pressure on us if we made any moves to join the EEC. Our free-trade agreement with the EEC in 1973 had already been difficult for the Soviets to accept.**

**The next milestone in our EU relations came in late 1980s when the EFTA countries and the enlarged EC (Spain, Portugal and Greece had joined in 1982) started to negotiate, in the context of the EC’s drive to create a Single Market, on a deeper mutual economic co-operation which would comprise not only free trade but also free movement of capital, services and labour. The decisive moments of that negotiation on, what was to be called “European Economic Space” or EES, coincided with the collapse of the Soviet Union and the end of Cold War and East/West divide in Europe.**

**Following the example of Norway, Austria and – especially – Sweden, Finland also decided in 1992 to apply for a membership of the EU. The Soviet Union had disappeared, Cold War and East/West tensions had evaporated, Finland’s space for action to safeguard her economic interests and to also enhance her security had grown.**

**The negotiations were concluded swiftly in 1992-1994 as the groundwork had largely already been done in the negotiations on the EES. The Norwegians again turned down their EU membership in another referendum in the Autumn of 1994, but the Austrian, Finnish and Swedish referenda gave green lights. In Finland 57 % voted in favour and 43 % against EU membership. Finland, Sweden and Austria joined the EU on 1 January 1995.**

**EFTA was thus reduced to an association of 4 countries: Norway, Iceland, Switzerland and Liechtenstein. The EES also entered into force, with Norway, Iceland and Liechtenstein as its members from the EFTA side. Switzerland’s accession to the EES was blocked by a referendum in Switzerland.**

**Finland entered the EU quite smoothly. In fact many old member states felt that Finland gave a sort of a model on how to integrate effectively into various EU structures and policies. The guiding principles of the Finnish approach were general constructiveness, focusing on a few but important issues from the Finnish viewpoint, desire to be part of the hard core of the EU wherever possible and anchoring all EU policies firmly in our domestic political processes by involving our own Parliament early and directly in all important decisions concerning the evolution of EU policies.**

**Our wish to be part of the mainstream or hard core of the EU was manifested e.g. by our decisions to join the Eurozone and the Schengen area of free travel.**

**Debate about the EU in Finland was calm and measured during the first 15 years of our membership. Certain amount of euroscepticism surely prevailed, particularly in some parts of our rural areas, but open support for anti-EU views was very limited at the political level. No politician in Finland, in those days, could expect to obtain big success on an anti-EU platform.**

**The Euro was very popular in Finland, and still is. Young people were thrilled by the new possibilities to study in Europe under the EU’s exchange programs. The Finns generally felt that EU membership had strengthened our European identity, brought us closer to our partners in Western, Central and Southern Europe thereby also enhancing our security in a general, not military, sense.**

**If there were polemics about the EU in Finland, they mainly concerned the treatment of Finnish agriculture under the EU rules. Because of the very Northern latitudes where our agriculture is being pursued, the Finns have – on quite a broad national basis – felt that Common Agricultural Policy of the EU must allow for certain flexibilities in order to take due account of the special climatic conditions in Finland. By and large, those issues could normally be settled satisfactorily between Finnish and EU negotiators.**

**This fairly rosy picture has somewhat changed since the eruption of the financial crisis in 2008. When this crisis, which originated in the US, hit the Eurozone and particularly its weakest economies, new issues started to dominate the Finnish EU discussion. The various steps needed to stabilize the Eurozone and to help its weakest members posed new and tough choices for the Governments of the Eurozone members, Finland included.**

**Large packages of outside assistance, the “bail-outs” as they sometimes are called, arranged for Greece, Portugal, Ireland, Cyprus and to some extent also Spain, raised questions in the minds of many Finns, both politicians and ordinary citizens.**

**Was it really right that Finland, which had tried to pursue solid, responsible economic policies in order to keep her public finances on a sound footing, was somehow obliged to pick up big bills for the rescue of other Eurozone members with major debt burdens, lax policies and inadequate structural reforms?**

**Not surprisingly, EU/euroscepticism got a major boost of these developments. In our Parliamentary Elections of Spring 2011, the eurosceptic party True Finns registered a major victory (“Jytky”) increasing her share of the votes from less than 10 % to almost 20 %. Under the Finnish electoral system this also meant that the True Finns got 39 of our Parliament’s 200 seats becoming the third largest group in this House of Commons of ours.**

**The True Finns did not, however, enter into the Government after the elections, mainly because they could not accept the continuation of Finland’s already traditional pro-European policy which included also continued support for the efforts to stabilize the Eurozone. Such a major victory by True Finns had, however, indirect impacts throughout the Finnish political landscape as the other parties started to draw their own conclusions about the factors that had brought the True Finns such a major success.**

**Outside observers have sometimes made the point that in recent years, after the 2011 elections, Finland has been a different kind of a player in the EU: more assertive, less flexible, more keen to take tough stands e.g. regarding mutual responsibilities within the Eurozone. These are impressions rather than results of scientific research, but I broadly agree that this kind of shift has taken place. Yet, I would maintain that Finland’s main ambitions regarding the EU have not changed and that we remain a constructive force inside the EU and the Eurozone.**

**In order to bring further clarity on Finland’s goals and policies in the EU, the Finnish Government published a year ago a White Paper on these issues. It is the latest authoritative guideline for anyone interested in the factors that underpin the Finnish official thinking about the EU and its further development. The White Paper got very broad support in our Parliament - obviously with a certain number of nuances - so it serves in my view as the most useful source of information about what Finland, as a nation, thinks about most topical EU issues.**

**In a nutshell, the White Paper confirms that Finland is committed to the euro and wants to work for a stronger economic and monetary union. Our general attitude towards further European integration remains positive. A stronger, more united and fairer EU corresponds to the interests of Finland and the Finns.**

**We emphasize the importance of full respect for commonly agreed values and rules. We call for more EU action to speed up growth, to improve Europe’s competitiveness and also to strengthen the social dimension of the EU. We want to move forward in fields such as common energy policy, combat against climate change, promotion of free movement inside the EU, strengthening of EU’s joint external actions and further enlargement of the EU. We hope that the further development of the EU could take place on as equal and united a basis as possible.**

**I thought it might be useful for this particular audience to try to analyze, how these Finnish ambitions correspond to the EU policies of the British Government, as announced and pursued under the present Coalition Government.**

**Broadly speaking, Finland and the UK are quite like-minded in many if not most areas of EU’s policies. We both want to further develop the Internal Market in the EU, particularly regarding services, energy and digital industries.**

**We are both in favour of cutting red tape inside the EU; we urge the EU to adhere to strict budgetary policies and to apply vigilant financial controls in all areas of spending. We are also both pushing actively for the conclusion of new free-trade agreements between the EU and its main trading partners including the US. And we are both traditionally in favour of promoting further enlargement of the EU e.g. regarding the countries in the Balkans and Turkey.**

**But there are also areas where we do have different emphasis and views:**

**At the most general level, Finland does not have a problem in keeping an “*ever closer union*” as the standing, long-term goal for the EU. This principle is now written in the preambular part of the Lisbon Treaty, but there is much unease in the UK about this kind of language guiding the EU’s evolution.**

**Also at the general level, Finland stresses the need for an EU which is “stronger, more united and fair”. The Brits stress the EU’s need “to reform” and to be “more flexible”. “A strong EU” does not seem to be part of the British vocabulary.**

**When Finland is openly in favour of further developing the EU’s social dimension, promoting free movement of people and making the EU a stronger player in external relations, the UK has a number of reservations regarding such ambitions.**

**Finland considers that the further development of the EU can be accomplished without changing the intergovernmental treaties on which its existence is based. Here in the UK, the Conservatives especially have been highlighting a number of reforms and changes which inevitably would require Treaty changes.**

**Finland values highly the work and competence of the European Court of Justice. In the UK, the Court is often seen as somehow biased towards centralizing tendencies which bring about more integration and centralized decision-making than what the drafters of the EU Treaties originally intended.**

**Both Finland and the UK are in favour of strict budgetary policies, but when Finland considers that country-specific rebates, like the one enjoyed by the UK, should be gradually abolished this is vigorously refused by the UK.**

**In the field of external action, Finland would be happy to see, that the EU’s diplomatic missions in third countries, particularly in far-away, small countries where we do not have Embassies of our own, would be authorized to handle consular affairs on behalf of the Member States. This has, so far, been strongly resisted by the UK.**

**Finland is generally in favour of further strengthening the EU’s common security and defence policy, while the UK gives overwhelming priority to NATO and resists any creation of new permanent European bodies in this field.**

**Finland also hopes that EU-positions could be pursued more effectively by means of close co-ordination in bodies such as G-20 and the UNSC where only some of the EU countries are represented. The UK wishes to keep her hands free in this regard.**

**Pekka Huhtaniemi, 3 April 2014.**