

Speech by the Minister for Foreign Affairs, Mrs. Lene Espersen, at reception for the Diplomatic Corps

March 19th 2010.

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Distinguished Ambassadors and Excellencies,
Ladies and Gentlemen,

First of all, a warm welcome to all of you here at Eigtveds Pakhus. I am extremely pleased to see that so many have managed to come here today. As Denmark's new foreign minister, I look forward to begin a close co-operation with you and with the governments that you represent. A frank and regular dialogue between us for the mutual benefit of our countries is important. And I look forward to getting to know you personally over the next years.

Apparently, the Danish press has also discovered that meetings between the Danish Government and the diplomatic community are important. At least, the meeting in January received a lot of publicity. Perhaps even a bit too much. To be honest, I was actually quite relieved this morning, when I woke up and noted that my two kids were perfectly healthy and ready for school, and that no other private matter threatened our meeting today. Thank God, I thought!

But the main reason, why I have been looking forward to meeting you today, is the fact that I have a few messages, I would like to convey in my new capacity as Denmark's foreign minister. And the first message is one of continuity. I would like to underline that the active Danish foreign policy on a broad range of issues, which has been a hallmark of the Government since 2001, will continue. Denmark's willingness to confront international challenges in a pro-active and direct manner will continue unchanged also when the going gets tough as in Afghanistan's Helmand Province. And so will the commitment of the Danish Government to coordinate closely with our partners and allies.

Unfortunately, the fight against international terrorism and our efforts to reduce global warming are not only about enhancing our security in the classical sense. They are instrumental for our economic security as well. If instability in the Middle East causes oil prices to skyrocket, or if pirates are allowed to undermine commercial shipping around the Horn of Africa, there would be a price to pay for the Danish economy. The same is true, if sudden changes in the weather pattern destroy peoples' livelihood in parts of Africa or Asia, setting off large-scale movements of climate refugees. In such circumstances, there would be economic repercussions for Denmark as well.

In short, ladies and gentlemen, dealing effectively with "hard" security threats that emanate far from our borders, is a precondition for creating a stable framework for economic growth at home. Because today's globalised world is hot, flat and crowded as the American journalist Thomas Friedman has put it, everything is connected, consequences are felt immediately, and there is nowhere to hide. As a consequence, Denmark's foreign policy will continue to require multi-tasking and a global outlook.

Being the foreign minister, however, it is my job to make sure that the Danish taxpayer gets value for his money with regard to the role Denmark is playing on the international stage. It is my job to evaluate ongoing policies and set new priorities, if needed. Having spent the last three weeks since my appointment looking at what we are doing around the world, I have decided to

single out two priorities to be at the top of my agenda in the short term. The first one is that we work in common in the European Union, so the EU can play a much stronger role on the global stage. This is not a new priority for Denmark, but it is one that appears more important than ever for a number of reasons, which I will get back to in a moment. My second key priority is to turn foreign policy in all its aspects into a growth engine for the Danish economy. Again, this does not constitute a dramatic leap into the unknown, but I will make certain that what we have been doing already in this regard is beefed up and injected with a new sense of urgency.

Let me briefly explain, why the EU's performance on the global stage is so important today. First and foremost, there is a strong demand for the EU to take on a greater international responsibility. Within the last couple of years alone, this demand has been on display in Georgia, where EU observers have helped stabilise the situation following Georgia's brief war with Russia in August 2008. The demand was on display again during the gas dispute between Russia and the Ukraine a year ago, where both parties called for EU involvement, and today, we see the demand off the shores of Somalia, and in Afghanistan where European soldiers and police officers are training their Afghan counterparts.

Secondly, the global financial crisis has accelerated a major shift in the distribution of political and economic power from the West to the East. From the US and Europe to China and India. As a consequence, a new world order is emerging, which some observers are labelling the G2 to signify the exclusive club of the US and China. Others have argued that what we are really witnessing today is the rise of the so-called BASIC-countries – that is Brazil, South Africa, India and China. Either way, China is at the centre of things and Europe less so.

The US and China will be shaping the global agenda in the 21st century. The question is, if Europe will be able to do so as well? Basically, we need to figure out, whether we want to meet the demand out there in the world for a stronger Europe or whether we should content ourselves with being a secure, prosperous, but also irrelevant and inward-looking region.

The well-known professor from Oxford, Timothy Garton Ash, has warned Europe's leaders against choosing the second option – that is the inward-looking Europe - which he compares to a Greater Switzerland. Professor Ash says, and I quote: "The trouble with this is that, in the longer run, by choosing to be only a Greater Switzerland we will gradually lose the conditions that make it possible to actually be a Greater Switzerland. For the point of having a European foreign policy is not power in itself, but the power to protect and advance interests that are increasingly shared between all European countries, and challenged in a world of non-European giants."

In short, Professor Garton Ash is saying that because things are the way they are in Europe, things will not stay the way they are. We need to change in order to preserve. For by doing nothing we will decline, which evidently is a change, but a change we have not chosen. So if we want to maintain Europe's international position and our welfare societies, we have to change our policies.

After nine long years debating treaty reform in the EU, we are finally about to get the tool box necessary to make Europe's voice heard loud and clear on the global stage. The Lisbon Treaty was an essential first step for a more coherent and more efficient Europe, but now EU Member States should make full use of the instruments in the tool box. The new EU External Action Service headed by Catherine Ashton must get off the ground quickly and begin its work of converting Europe's economic leverage and democratic pre-eminence into political influence on the global stage. More than anything, Europe is a community of values, and EU procedures and institutions must be structured in such a way that we become better able to communicate these

values to the rest of the world. Billions of people around the world look with envy at what we as Europeans have achieved in the last 50 years and Europe can do more to bring democracy, security and economic progress to these people.

Despite the doom and gloom that we often hear about Europe in the news media, we should keep in mind that the EU is still the world's biggest exporter of goods and the biggest recipient of foreign investments. We are the biggest donor of development assistance in the world and the EU's internal market consists of 500 million consumers with much greater purchasing power than Chinese or Indian consumers.

Therefore ladies and gentlemen, the potential for a stronger Europe is there, but Member States should make more room for Lady Ashton and her efforts to forge a more dynamic and robust EU foreign policy. If Member States continue the age-old habit in Europe of petty quarrels and national rivalry, we will simply get squeezed by the US, China, India, Russia and others, when global challenges like human rights or climate change are discussed.

Turning to my second big priority – foreign policy as a growth engine for the economy – it is my intention to act as Denmark's growth ambassador abroad. Growth is what the Danish economy needs more than anything else today, and as foreign minister, I will do my utmost to ensure that Danish companies get a much stronger presence in the new growth markets outside Europe. Markets like China, India, Brazil, Mexico and Vietnam, where I hope that the EU will help pave the way by concluding bilateral agreements on free trade, while we wait for a global free trade agreement in the WTO. Growth is also about influencing the international framework conditions through multilateral organisations like the UN, the EU and the IMF. In this context, I will work hard to create a better business environment inside the European Union and a more effective Single Market, which still take almost 70 percent of Danish exports.

Drawing upon the experience from my previous job as Minister for Economic and Business Affairs, I will co-operate closely with Danish companies on issues like market access, trade liberalization, innovation and marketing of Danish goods and services. I also plan to spearhead visits by Danish business leaders to key export markets in the near future.

Growth, ladies and gentlemen, is the talk of the town in Copenhagen these days. Growth is at the centre of a new strategy adopted by the Danish Government called "Denmark 2020", which is aimed at bringing Denmark up to speed with globalisation in the 21st century. It is also at the centre of a new strategy for the Trade Council here in the Ministry of Foreign Affairs. With the strategy, the Trade Council will aim to help Danish companies increase their exports by more than 25 billion dollars during the next five years as well as create 5000 knowledge-based jobs in Denmark by attracting more foreign investments.

Of course, Denmark will not be able to push the "growth-button" alone. As a small country with an open economy, we are very dependent on Europe getting back to a solid growth track. Therefore, I am happy to note the high level of agreement and synergy between our own national strategy – the "Denmark 2020" – and the new economic proposal from the European Commission called "Europe 2020". The similarity is not just in the names. Both are focussing on knowledge-based growth, a transformation to a green economy, more investment in research and green technologies, flexible labour markets and getting more young people to stay longer in the educational system. Neither Denmark nor Europe will be able to compete with China or India on price. It will never happen, and there is no point in trying to go down that road. We can only be successful by competing on knowledge, innovation and a multi-skilled workforce.

Luckily, we enjoy a comparative advantage here thanks to Europe's strong technology base and ambitious climate and energy policy. We must now make an all-out effort to build upon this advantage in the coming years. Before we get to 2020, however, Europe needs urgently to confront mounting public deficits, rising unemployment, a declining ability to compete, too low birth-rates and weak domestic consumption. At present, Greece might be dominating the headlines, but these economic vulnerabilities are shared by EU countries across the continent.

The financial crisis has been merciless in exposing our economic weaknesses in Europe. A man, who knows a thing or two about wealth creation, Mr. Warren Buffett, the world's third richest man, has captured Europe's current predicament this way, and I quote: "It's only when the tide goes out that you learn who has been swimming naked." To various degrees, some more than others, but all guilty of a little exuberance, European countries forgot their swimming pants during the economic boom years that lasted until 2008. Now, we have to get the swimming pants back on quickly in the form of fiscal sustainability and economic reforms, so we can exit from our stimulus policies in an orderly and coordinated way.

Ladies and gentlemen, I have tried to outline two key priorities for Denmark's foreign policy in the short term. For both of them to materialise, Europe will need to move. Therefore, let me conclude by giving you a short fable that illustrates what is at stake, if we the 27 EU Member States don't pull together and start to move our common enterprise called Europe. The fable goes like this:

Once a crayfish, a swan and a pike set out to pull a wagon,
And all together they settled in their traces;
They pulled with all their might, but still the wagon refused to budge.

The load it seemed was not too much for them;
Yet the crayfish kept crawling backwards, the swan headed for the sky, and the pike moved
towards the sea.
Who is guilty here and who is right - that is not for us to say;
But the wagon is still there today.

Thank you.