

On the collapse of the Soviet Union

Address to the Liberal International Conference
at Luzern, Friday 6 September 1991
by Mr. Frits Bolkestein (VVD)

The collapse of the Soviet Union is an awesome spectacle. The last empire on earth is in a process of dissolution. Liberals rejoice at the demise of communism. But the events now unfolding in Eastern Europe are not without danger.

The coup d'état against Mikhail Gorbachov has failed. But that does not mean there will never be another. The Soviet Union is becoming more chaotic by the day. Every chaos calls forth a reaction. So we must be heedful.

We must be the more heedful because the fundamental problems of the Soviet Union are far from having been solved.

Firstly, the economic condition continues to worsen. The decline in production 1991/1990 is about 10%. Inflation over 1991 is estimated to be between 100 - 200%.

The shops are empty which was the main reason for Mr. Gorbachov's impopularity. If they remain empty, Mr. Yeltsin's popularity will also suffer. Who will be next?

Secondly, the republics at the periphery are bent on their independence. The Baltic republics have all but recovered their sovereignty. The Transcaucasians may be next. If the Ukraine also hives off, the great-power-status of the Soviet Union will come to an end. The Ukraine accounts for one third of the industrial production of the Soviet Union. It is a store of natural wealth.

Here the risks are particularly great. Eleven million Russians live in the Eastern Ukraine. Sixty million Soviet citizens do not live in the republic of their own nationality. Mr. Yeltsin has already called for a correction of the Russian frontiers. If this process degenerates into civil strife it will make what is happening in Yugoslavia look like the Boston Tea Party.

The third problem is that democracy in Russia has no tradition whatsoever. There has never been feudalism there, nor a Renaissance, nor an Enlightenment. The Russian tradition is autocracy - sometimes enlightened, sometimes despotic, but always autocratic.

What can we in Western Europe do to help? I am afraid very little. The truth of the matter is that the Soviet Union is a rich country. Its poverty is a result of its disorganisation. We cannot organise the Soviet Union - only the Soviets themselves can perform that task.

Until the Soviet Union has got its act together, no Western industrialist will invest his money there. Businessmen can cope with almost any kind of problem but not with uncertainty.

This does not necessarily mean we are doomed to idleness. We can help, in particular in the field of management and infrastructure. And by infrastructure I do not so much mean roads and bridges as the legal and economic infrastructure that is necessary for the proper functioning of a market economy.

We in the West are brought up to think that all problems have a solution. Well, some do and others - like the Arab/Israeli dispute - don't. Still other problems will take a long time to settle down and I think the organisation of the Soviet Union is one of these.

The people in Eastern Europe - I refer in particular to Poland, Czechoslovakia and Hungary - must have watched the coup d'état unfold and collapse with bated breath.

Do not forget there are 270.000 Soviet troops in what used to be the GDR and upwards of two Soviet divisions in Poland. What promise can we hold out to these countries?

They want to become members of the European Community and the sooner the better. I do not think this is possible in the short or medium term, for none of these countries have at present a properly functioning market economy.

There is another reason why the EC is not keen to admit new members. It is a reason which is financial and which is therefore seldom mentioned. New members with a level of affluence below the Community average will want to receive financial support. That, at least, is what the Community has given Greece, Portugal and Spain when they entered. This financial support goes under the codename of "cohesion". The argument for "cohesion" has always been that the new member states would not be able to support a market economy if they did not receive financial help.

I do not think this reasoning holds. Spain and Portugal have received enormous flows of investment after they acceded to the Community. "Cohesion" is not necessary: the market will sort these things out by itself. If we dropped the whole idea of "cohesion", the accession of Poland, Czechoslovakia and Hungary would become much more readily acceptable. The Community will be able to help the countries in Eastern Europe more easily if it stops its attempts at income-redistribution. Trade not aid must be our aim.

What we can do, is conclude association agreements which stipulate cooperation in a variety of fields. The East European countries complain of the slowness of these negotiations. No doubt we can and should speed up the process.

What we can further do, is hold out membership under certain conditions and at some unspecified future date, so that the East European countries know they can enter the Community provided they get their act together.

And what we must certainly do, is open our borders to East European textiles, steel and agricultural products. Time and again ministers come together and promise to abolish quota and tariffs but nothing happens - or at any rate too little.

As Jacques Delors said: "If you want to do more, you should go to your farmers and explain that agricultural products will be coming in. If you can do that, more power to you". (WSJ, 23-8-91).

It would also help if the European Bank for Reconstruction and Development got off the ground. So far it has been noted for resplendent headquarters, astronomical expense accounts and Mr. Attali's domineering management style.

Ultimately, the European Community should be the home of all democratic countries in Europe. That remains our long term aim. It is clear that the EC will be different then from what it is now.

Austria and Sweden have applied for membership. Norway and Finland may well follow. Add Poland, Hungary and Czechoslovakia. Remember Slovenia. Do not forget Malta and Cyprus. We are then looking forward to a Community of upwards of 20 members.

Yet we do not want the Community to degenerate into just a customs union. This means that a two- or even three- speed Europe is most probably unavoidable.

The economic unification of the European Community is proceeding apace - slowly, unspectacularly, tediously, but surely. The same cannot be said of its foreign policy.

The Community did not cover itself with glory during the Gulf crisis. Britain did much, France did somewhat less, The Netherlands did too little too late, Belgium opted out, Germany looked the other way. There was no common stand.

The Yugoslav crisis has prompted the Community to a repeat performance. France backs a federal Yugoslavia. Germany backs an independent Slovenia and Croatia. There was again no common stand.

Most recently European foreign ministers have been falling over each other in their eagerness to recognise the Baltic states. I am also in favour of that recognition. But could these foreign ministers, so eager to make their mark on the stage of world politics, not have waited for Community procedures to have run their due course?

The Netherlands now has the Presidency of the Community. But I find it difficult to berate our foreign minister Hans van den Broek - even though he belongs to a different party for not being able to keep his colleagues in line. The truth of the matter is that the European Community does not have a foreign policy. We should do well to look this fact straight in the eyes.

This also means that any talk of a European defence identity is spurious. Defence is the end-piece of foreign policy. Where there is no foreign policy there can be no defence.

The Conference on Security and Cooperation in Europe, the CSCE, cannot play more than a marginal role in times of trouble. The CSCE is subject to the rule of unanimity. That was also the drawback of the Leagues of Nations. Remember that the first time the League of Nations failed was in the case of the dispute between Poland and Lithuania about Vilnius in the early twenties.

In matters of security we can do no better than rely on NATO. Where so many things in Eastern Europe are adrift we should not venture into the uncharted waters of some untried mechanism.

Poland, Czechoslovakia and Hungary have all at various times requested membership of NATO. I do not hold that to be possible. Their membership would mean that the Dutch army if the worst came to the worst - would have to help and defend the river Bug, which marks the border between the Soviet Union and Poland. It would also mean that the American nuclear umbrella would be extended to shield Hungary. I hold that to be neither possible nor desirable.

But perhaps some form of associate membership of NATO is possible. This might consist of two elements. The first element might be the political declaration that any intervention in Poland, Czechoslovakia or Hungary would damage the vital interest of the NATO member states. The second element would be a constant liaison, at the operational level, between officers of these three countries and their NATO counterparts. These two elements might stimulate the self-assurance of Eastern Europe. They would be a signal to all concerned that we are not prepared to leave them in the lurch.

The unsettled situation in Eastern Europe ripples over into Western Europe. Germany in particular has taken in a vast number of refugees from the East. The

pressure in The Netherlands from people who want to settle there is also growing inexorably.

Prominent among recent immigrants in The Netherlands are people from Morocco and from Turkey. Many of them settled in my country in the sixties when labour was scarce. These two communities have continued to grow through national increase and also because marriage partners are brought in from the countries of origin.

In a few years' time The Netherlands will harbour some 400.000 Muslims. It is an influx such as we have never before had to absorb. Here I come to the theme of this congress. What should government policy be towards these people who come from a different culture and of whom many speak little or no Dutch?

Our official policy used to be: "Integration without prejudice to everyone's own identity". It is now recognised that this slogan was a bit too easy. If everyone's cultural identity is allowed to persist unimpaired, integration will suffer.

And integration there must be, because the Turkish and Moroccan immigrants are here to stay. That is now recognised by all.

If integration is officially declared government policy, which cultural values must prevail: those of the non-Muslim majority or those of the Muslim minority?

Here we must go back to our roots. Liberalism has produced some fundamental political principles, such as: the separation of church and state, the freedom of expression, tolerance and non-discrimination. We maintain that these principles hold good not only in Europe and North America but all over the world.

Liberalism claims universal value and worth for these principles. That is its political vision. Here there can be no compromise and no truck.

In many parts of the Muslim world the principles I have mentioned are not honoured. Islam is not only a religion, it is a way of life. In this, its vision goes counter to the liberal separation of church and state.

In many Islamic countries there is little freedom of expression. The case of Salman Rushdie may be extreme but still indicates how far apart we are on this issue.

The same goes for tolerance and non-discrimination. The way women are treated in the world of Islam is a stain on the reputation of that great religion.

I repeat that on these essential points there can be no compromise. These principles have a value that is not relative but of the essence.

A Dutch government think-tank put it as follows: "Very important aspects of our Western culture such as individual freedom and equality are under attack from another culture in a manner which is sometimes militant. In those cases of confrontation where a compromise is in practice not possible, no choice exists but to defend our culture against competing pretensions." (WRR 1979).

But whosoever rejects the theory of cultural relativity may very well and at the same time accept cultural pluralism.

Everyone in The Netherlands may do and say as he pleases, and eat the food, wear the clothes and profess the religion of his choice. Muslim girls may wear a scarf if they wish, even though that scarf stands for much more than just a head-dress.

But Muslim girls of school-going age must attend class, even though they have reached puberty. Here again our law must take precedence over their custom.

These are no more than cursory remarks about a great and knotty problem. Our relations with these new immigrants from a different culture will feature very high on the list of political priorities in the years to come. Maximum flexibility is called for on all sides. A pragmatic approach is needed but we must also hold on to liberal principles that are of the essence.