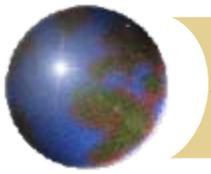


Guest Lecture at:
The University of Tasmania

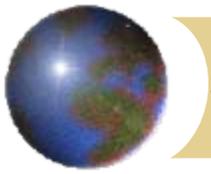
Topic: The Future of Europe,
Implications for Europe-Australia
and Denmark's role.

By: Ambassador J. Oerstroem Moeller,
Adjunct professor at Copenhagen Business School.
Singapore October 12, 2004



I. Prelude.

We must ask for help
Sherlock Holmes
Brad Pitt.



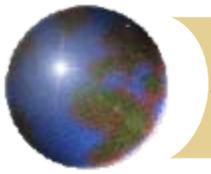
Part One. The Future of Europe

Key sentence. What will history tells us about the European Union. Why was it important? What new factors did it bring to the world?

Two Things.

A redefinition of sovereignty.

Minorities inside the nation state.



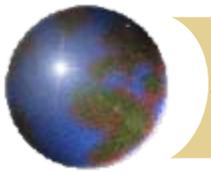
Part One. The Future of Europe (cont.)

What are the fundamental flywheels of the European Union.

Two Things – again.

A positive sum game.

Right balance between large and smaller nation states.



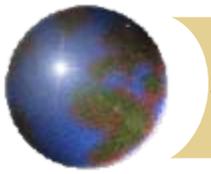
Part One. The Future of Europe (cont.)

Background for the enlargement:

A moral imperative,

A political necessity,

An economic advantage.

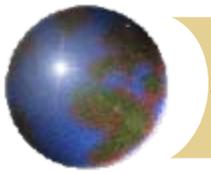


Part One. The Future of Europe (cont.)

What are the advantages for Europe?

Soft security policy. After 1990 security policy changed. Not any longer possible to speak about security for one nation state or a part of Europe. Either all of Europe is secure or Europe as a whole is not secure. A fundamental change. Look at the structure of military forces. The Danish armed forces – killed in combat before and after 1990.

- Stabilization of Central- and Eastern European countries.
- Make Russia confident that no threat exists. NATO?
- Distribution of labour. Better competitiveness.



Part One. The Future of Europe (cont.)

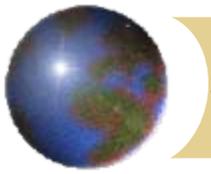
Any disadvantages for the outside world?

Experience from the single market in the 1980's

A new reserve currency

Inward looking Europe - true or false

Distortion of European economies to help the new members

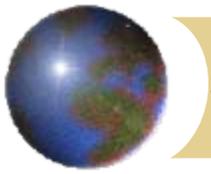


Part One. The Future of Europe (cont.)

Before we look at the problems always look at the fundamentals. Remember the humming bee.

Financial costs, agricultural policy, trade policy, immigration and above everything else can it work, decision making process? Of course the EU will change. It has changed all the way from 1950.

The proposed constitution. A train coming to a station from which tracks go in various directions. One of them must be chosen. The EU will stop at the station for a while pondering which one. Remember Alice in Wonderland.



Part One. The Future of Europe (cont.)

Now 25 member states. What about Turkey, Romania, Bulgaria, Croatia?

So where do we go from here. What I think. Groucho Marx.

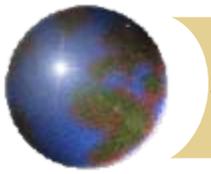
Some countries will take the lead. Inside or outside.

Still a strong economic entity. Not breaking up.

PESC. Yes but not in the business of military intervention.

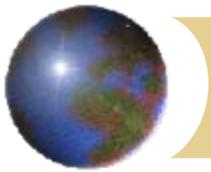
EURO.

Trade policy of interest here.



Part Two. Implications for Europe-Australia

The Global economy. Large imbalances primarily in the US economy. How does the global economy tick? Will it continue to do so? No. And what then? We will be suffocated by a sliding ice cream gateau - DEBT



Part Two. Implications for Europe-Australia (cont.)

New trends.

Manufacturing industry. Over the hill long time ago.

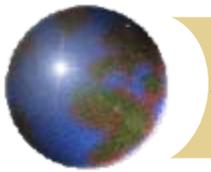
The immaterial (non-material) economy. Knowledge, info, entertainment, education (life long), the dream society.

Time and geography OUT. Get their firstest with the mostest IN.
Outsourcing yes but what about insourcing and transfer of brain power.

Urbanisation, hubs, branding go together.

Political enterprise and political consumer.

US turn around – a seminal shift – from outward looking to inward looking



Part Two. Implications for Europe-Australia (cont.)

Three focal points.

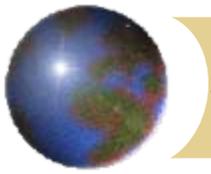
Human resources

Link to power house

Institutionalisation of Asia.

The bang for the buck: You need to know where you belong, be institutionalised and pursue your interest together with like minded countries.

What does lead to for Europe, Asia, Australia.

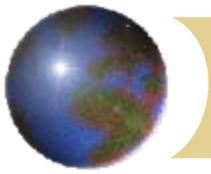


Part Three. Denmark's role.

Denmark is a reluctant member of the EU but has nevertheless conceptually taken the jump.

Implications: Not many Danish policies. But stronger Danish influence. Power is not limited. And it can be exercised at several layers of the power pyramid at the same time.

Experience: A stronger Political and economic integration fosters stronger cultural identity.



Imperatives for survival.

Stronger competitiveness. Do what you are best at.

Cultural identity while internationalise.

Think out of box. Innovate, creativity.

Know your strengths and your weaknesses.

You can easily do what you used to do but the price is.....