

# SERGEI DOLGOPOLOV. THE LABYRINTH OF BRUSSELS CORRIDORS, OR TEN YEARS LATER

FIRST-PERSON

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**S**ergei Dolgopoloov belongs to a small group of Latvia's professional politicians. "Wise," though an almost obsolete word now, would be quite fitting in describing this calm, cultured and well-educated person with a fine sense of humor and self-irony. "Wise" conveys

both the inexorable clarity of thinking and lenience towards people. Dolgopoloov is the first chairman of the Center of Accord association which has steadily won a majority of seats in the Saeima, the Latvian parliament. He has been elected a Saeima deputy for the third time.

**D**olgopoloova kungs (Latvian for Mr Dolgopoloov) was deputy mayor of Latvia's capital Riga from 2001 to 2005. That year was truly a breakthrough for independent Latvia. It was the first time a politician from "a Russian-speaking" Party (whose command of Latvian was excellent, by the way) worked his way through power hierarchy to such a high position. During his tenure, many citizens with nationalist mindset saw that Russians at the helm did not pose danger to Latvia. Rather, they were of great benefit.

The Center of Accord has governed Riga for the fifth year running. The ruling parties are again worried that this party, one of the few in Latvia that bring together people of different nationalities, will again win the parliamentary election.

Chairman of the Latvian parliament commission on public administration and local governments, member of the Commission for European Affairs Sergei Dolgopoloov answers Amber Bridge's questions about how Latvia has been faring in the new brotherly union – the European Union.

## ALL CHERRIES HAVE PIPS

*In 2004, when Latvia was joining the European Union, the country split into EU skeptics and EU optimists. Which group did you belong to?*

I've always been an optimist. But at that time, I found it totally unacceptable that Latvian

authorities presented EU ascension as the country's top foreign policy goal along with this idea: "we'll join the EU and will be happy ever after." By definition, it was an incorrect and misleading approach.

Joining the EU or any other union is not an objective but a task to create an instrument whose use will depend on circumstances, on your ability to derive maximum profit for the country. For example, a surgeon can immediately decide on operation, but on second thought, he might invite his colleague therapist to have the benefit of another opinion.

Even the simplest case requires that we consider several options. Before you buy a fridge, you want to decide what kind of appliance you need: should it be large or small or have one or two freezers; you might want to select the producer and decide on the price

range. Some begin with prices, but options are always considered.

When making the pivotal decision to join the EU, we in Latvia only focused on its pros, but never studied the cons as if they didn't exist. Things don't work this way! Even the best cherry has a pip, and if you eat too many pips you might die because they contain cyanide.

*Let's attempt an analysis, though it's overdue... Shall we begin with the plus side?*

Let's start with the fact the "old" Europe's experience is very useful to our democracy which is emerging with moans and groans. Freedom of movement is of tremendous significance, too, although today, it plays a rather negative role with mass immigration as one of its consequences.

On the positive side, the balance of funds we receive from Europe and those we put in the

EU money box is currently in our favor. The loss of our industry is undoubtedly on the minus side.

*It's a pity Latvia no longer has its famous sugar plants...*

Not just that... We lost our sugar plants through our own folly. De-nationalization had been planned the wrong way around. When the EU introduced sugar production quotas (to which we obligingly agreed) offering compensations to the owners for scaling down the industry, "the process was set in motion..."

As a result, an absolute majority of EU countries preserved their sugar production, but we fully rely on imports, not mentioning hundreds of families who lost their jobs. The problem is that Latvia has not learnt to formulate its own agenda and defend its interests while focusing on key guidelines.

To continue to exist as a transit state, it is necessary to improve transport infrastructure and the quality of highways and railways. "Labor mobility" does not only mean that a person, in search of job, is able to move to Dublin or London, but also a comfortable trip to one's place of work along a well-maintained route in a given country.

Developing this strategic guideline requires tremendous investment which the state cannot afford. For example, the Northern Transport Corridor which opens direct access to the port of Riga, costs at least one billion euros. Receiving funding for such a megaproject would reverse the economic situation in the country. Alas, the Latvians failed to set their own agenda, so a quality breakthrough never happened.

According to the latest reports, Latvia ranks 1st in the EU in terms of law-abiding and acting on EU directives. It is not bad in itself, at least because violating European rules is punished by large fines which are always taken out of taxpayers' pockets.

We have another problem: we often tell Brussels "what would you like?" first and only then do we begin to consider how this or that decision might impact Latvia's interests. We often complain that we're a small country, easy to hurt.

*Small countries find it hard living in the modern world...*

What about the Scandinavian states? Denmark and Sweden have preserved their

currencies. They have their own banks and their own opinion about many European policy issues.

*Latvians hoped that EU membership would help resolve acute humanitarian problems, in the first place the naturalization of a sizable segment of the population. But they were disappointed...*

The EU could not meet those expectations. Citizenship issues are an internal affair of every member-state. The only thing the EU can do is to express its opinion of the problem, which it has done on several occasions.

Yet it is important that Europe has a system of courts which have been passing decisions on Latvia residents' legal actions rather quickly in the recent time. Individuals are increasingly victorious in their litigation against the state. It is an extra leverage of democracy.

*There is an opinion in Latvia that we represent America's interests in the EU. Do you agree with it?*

Not quite. America's and the EU's interests in the economic sphere don't coincide much. They are rivals, to be more precise. Yet the USA obviously wishes to delegate to Europeans part of the functions to support the existing world order, in the first place within the framework of NATO.

As for Latvian-US economic cooperation, its statistics is hilarious. Even in the transit of Afghan cargoes political motives dominate over economic ones.

*Latvia will mark the first decade of its EU membership next May. In a short summary of that period, you'd call it the time...*

...of missed opportunities. They were missed irrevocably, because the EU today is now on a losing streak because of the crisis, with a smaller budget and, consequently, smaller support on which we could count.

## IMAGINARY PAIN

*When Latvia was joining the EU, there was much talk about it helping improve relations with Russia. Do you think EU membership has helped?*

The progress in Russian-Latvian relations has been tremendous in the past few years.

Bilateral relations are noted for increasing turnover and investments, and Russians' growing presence in Latvia.

The two countries have signed a number of important documents, including the border treaty. We have been unable to reach such progress in relations even with Lithuania, a brotherly state; we haven't set a boundary on the Baltic Sea yet. Dozens of thousands of pensioners breathed a sigh of relief when a treaty on social protection came into effect which broadened the number of persons entitled to pensions for the years on employment record when Latvia was part of the Soviet Union.

As for political rhetoric, things certainly could have been better. The never-ending wordplay and periodic updates of "black lists" creates a nervous atmosphere, whereas ordinary people, not mentioning entrepreneurs, want stability and predictability. Of course, business is like water, it always finds its way, but the politicians' task is to turn these ways into channels with steady current running towards mutual advantage of our countries and peoples.

*Some Latvian politicians claim over and over again that Russians are buying up the country. What do you answer them?*

The allegations that Russia is laying its hands on Latvia are groundless. In terms of the sum of investments, it is far down on the list of the first ten largest stakeholders. Regrettably, the Baltic states continue to look at the present and the future through the prism of the past.

Latvians with national concerns were hysterical as the discussion unfolded about the issuance of EU residence permits to foreigners purchasing property in Latvia, of which several thousand Russians have already availed themselves.

It's absolutely clear that this measure helped revive the construction and real estate markets which had stood still after the crisis. It

also brought large revenues to the treasury, because of the 500 million dollars spent by foreigners on Latvian real estate, the Latvian budget received some 150 million in direct tax proceeds. But complexes sometimes show, and the political element of this process is clearly changing.

For some reason, nobody sees that nine of ten largest owners of Latvia's forest areas are foreign firms from Scandinavian countries or Germany. Forests are a treasure which is easy to destroy but hard or impossible to restore. As for real estate, you can never move it out of the country.

Nobody is sounding alarm over the country's practically having no banks of its own, but it is banks that set the development vector in the modern world. The Latvian Central Bank governor has repeatedly acknowledged that he had no instruments at his disposal to prevent the 2007-2009 mortgage boom, because Scandinavian banks, as branches of foreign banks, could easily circumvent the restrictions imposed by Latvia. Also, companies with foreign capital dominate in Latvian trade.

It's all very fine; our market is open. But we do need some insurance, a guaranteed niche on the



market for our national business. This equally applies to any foreign capital.

*Russia has long been seeking a visa free regime with EU countries. What position do you think Latvia should take on this issue?*

Lawmakers have no uniform approach to this problem. From the viewpoint of our interests, we certainly prefer a positive decision. Latvia is a transit country, and the easier these issues are solved, the better for Latvia. A visa-free regime might require changes in border control and stricter order. But, on the other hand, are the detained offenders or criminals travelling easily all over the world with proper documents few in number? A political motive is strong here as well; some might have fear on a subconscious level.

*Should the West fear Russia?*

Of course not! It shouldn't demonize Russia. We have many common problems, such as the housing and public utilities sector, welfare issues and education... All fears of Russia are myths and imaginary aches which sadly remain a factor in international politics.

## DIFFERENT SPEEDS

*Latvia is transferring to the single European currency from 2014. What is your opinion of this move?*

Joining the Eurozone is presented today in the same manner as EU membership was presented a decade ago, i.e. as an objective, not an instrument. But is it the best time for such a move? I'm not so sure. The rules of the game apply to a greater extent to those who live in a union, including in the sphere of finance.

It is the only way to level out the standard of living in different countries. A Europe of different speeds is a real phenomenon, though unwelcome. You cannot compare the German economy with Latvia's, Romania's or even Poland's. It's fine if transfer to the euro helps us change to a higher gear. But has anyone done its calculations? I don't think so.

*It's not the best of time the European Union is going through. EU skeptics even predict a system crisis.*

Any system, be it a union or a company is doomed if it cannot take changes towards

development. So the EU needs a discussion about its development strategy.

To pursue a common policy, it is necessary to boost the role of the European Central Bank, adopt common fiscal legislation, and implement common tax and customs policies. Is the EU ready for it? This is a rhetoric question... Once Barroso hinted at federalization of Europe, he had everybody lash out at him, including Latvia.

We had to weather the banking crisis to understand that the activity of commercial banks should be regulated, at least within the framework of the European Union, but it would be still better to have it regulated globally, because the current crisis is global.

If the EU and its members are unable to identify priority guidelines of their activity and continue to talk about all kinds of things, such as the shape of a tomato, a collapse cannot be ruled out. The contradictions between the EU's common goals and the interests of its members are growing which causes considerable damage to individual states and the EU on the whole.

*Could you elaborate?*

The countries which practically have no contacts with Belarus, insist on broad sanctions against it, arguing that it would help its democracy make progress. Conversely, the countries that have close economic ties with Belarus are very much opposed to such sanctions.

The new EU members' wish to raise the quality of education turns into a source of cheap labor force for developed countries. Today, Latvia spends budget money to train specialists who go abroad after graduation eyeing higher wages and the standard of living. "Old" countries benefit from it, but we're on the losing end. It is not only Latvia's problem. Unregulated labor movement and migration issues are gaining significance across the whole Europe. As in banking, the EU will need common regulation in this sphere.

Should we argue about whose potatoes are better: Lithuanian, Polish or Latvian? Competition in the EU should manifest itself as a search for new markets, not as domestic squabbles. This is what the EU foreign policy must aim at. Only then will it benefit the EU in general and each of its members.

You cannot eat more than you can digest; having a five-storey house all to yourself to live in is not reasonable... You might recall Strugatsky brothers' famous novel "Monday begins on Saturday." This fairy-tale for junior researchers describes a scientist who produced an ideal consumer, but the end was logical: the consumer burst after consuming too much.

Expanding the consumer group would be a way out of the overproduction crisis. Many people on Earth live below the poverty line dying of hunger. It is possible to give a fresh impulse to the world economy by raising their consumption at least to reasonable minimum.

*Despite all problems, the European Union continues to enlarge. Ukraine is next in line. Can the EU really keep "digesting" new countries?*

The more countries join the EU the less controllable it is. This is no longer a two-speed Europe, it's three-speed or multi-speed, and if a machine is running at three speeds at the same time, it will surely fall apart.

The EU welcomes the pro-Western orientation of Ukraine and Moldova. But it has never tried to invite Turkey or Russia into the Union. Why? Politics obviously dominates over economy here as well.

## TOEING THE LINE

*Which forces can win the May 2014 elections to the European Parliament?*

Centripetal forces in Europe are becoming stronger along with the right-wing radical sentiment. I believe the EU election will clearly show this trend amid low turnout. As an EU governing body, the European Parliament does not enjoy much prestige.

*How efficient are the Latvian deputies elected to the European Parliament?*

As other Latvians, I probably don't know much about their work, the initiatives they plan or the bills they pass. No idea... There've been some loud statements though. For example, Karlis Sadurskis has again raised the problem of having ethnic minorities' kindergartens transfer to the Latvian language. Sandra Kalniete has just released a new book. Understandably, pre-election statements sound louder.

Can it be otherwise? I don't think so, because the European parliament sits on the wrong premise. The states are represented there by delegations formed under a political principle, so partisan interests have priority over national ones.

Mr Dolgoplov, you said once that the Brussels corridors were more frightening than the Kremlin ones. Why do you think so?

It was easier to find one's bearings in the Kremlin... The colossal European bureaucracy, the array of procedures ahead of decision-making, and sophisticated lobbyism cannot be rivaled by what was in the Soviet times. I worked at that time, so I can make a comparison.

*Have politicians changed over these years?*

They say politicians live from one election to another, while statesmen think about the future of their country and its people. We have more than enough politicians, but statesmen are rare. They are nurtured by proper environment and growing political culture.

The picture gradually changes as a new generation appears which grew up in a non-revolutionary environment. They have a different, global perception and more tolerant approaches. This gives us hope...

*Thank you for talking to me!*

**Olga Larina,**  
For Amber Bridge

