



Ministry of Foreign Affairs

# State of the European Union

## Letter to Parliament 2022

AmmanAccraPraagKarachiKairoSarajevoAlgiersAnkaraLondenBamakoJakartaParamariboOttawaMontrealAlgiersMuscatWindhoek  
nchenAtheneDüsseldorfKampalaCanberraBamakoIslamabadSofiaLissabonBangkokRomeChicagoAlgiersRiyadhYaoundéRiyadhM  
oWellingtonTokioMoskouAlmatyMilaanHamburgTelAvivMontevideoMaputoAlgiersMilaanMontevideoVancouverAnkaraBarcelon  
rasiliaBelgradoMuscatLuandaSantiagoDeChileLusakaBomayRabatBomayOttawaBratislavaBagdadHavannaHavannaBerlijnHong  
AmMainKarachiBratislavaLosAngelesBoekarestAtheneSingaporeAnkaraBratislavaTunisLuxemburgZagrebMontrealSofiaSydneyS  
seldorfTelAvivParijsSeoelParamariboCotonouLaPazHelsinkiPortOfSpainParijsKievBarcelonaAccraZagrebRiyadhLosAngelesMilaan  
BratislavaMontrealDhakaKigaliTelAvivIstanboelHongKongChicagoIslamabadKingstonDamascusTunisBogotáKopenhagenWenen  
onnBerlijnBuenosAiresLagosShanghaiKopenhagenBagdadHongKongAlmatyMuscatAbuDhabiWenenSanJoséKoeweitWenenKiev  
iboBamakoBonnCotonouOttawaJakartaMuscatColomboManillaOsloNairobiDubaiSaoPauloPretoriaMaputoAmmanBagdadNew  
eweitParijsJakartalstanboelTeheranKhartoemAbujaParijsStockholmTorontoNewDelhiQuitoSeoelBangkokWenenLaPazParamari  
LaPazIstanboelBoedapestHamburgVancouverDhakaDubaiBangkokAnkaraAlgiersKhartoemDubaiKobeBrusselMexicoStPetersbu  
onnAnkaraBrusselDarEsSalaamKobeSofiaKoealaLoempoeWellingtonAlgiersAnkaraAbujaChicagoMuscatDakarStockholmKopen  
amburgRomeDarEsSalaamSofiaDubaiColomboRabatAtheneDublinSydneyKobeBogotáPraagOuagadougouAlgiersKingstonStPet  
/AnkaraColomboWarschauRomeBernKingstonLissabonBoedapestBoedapestNewYorkMaputoColomboNewYorkRiyadhBamakoTe  
skouAlgiersAbidjanParamariboMaputoManillaKinshasaBarcelonaCaracasManaguaBarcelonaLusakaAntwerpenSaoPauloBagdad  
KairoSarajevoBratislavaWindhoekZagrebBrusselRiyadhMoskouAlmatyMaputoKarachiVancouverSantiagoDeChileTunisManaguaTe  
rachiKairoSarajevoAlgiersAnkaraLondenBamakoJakartaParamariboOttawaMontrealAlgiersMuscatWindhoekRiyadhLuandaMadri  
KampalaCanberraBamakoIslamabadSofiaLissabonBangkokRomeChicagoAlgiersRiyadhYaoundéRiyadhMuscatKampalaParijsMad  
AlmatyMilaanHamburgTelAvivMontevideoMaputoAlgiersMilaanMontevideoVancouverAnkaraBarcelonaPraagColomboWarschau  
LuandaSantiagoDeChileLusakaBomayRabatBomayOttawaBratislavaBagdadHavannaHavannaBerlijnHongKongMilaanCanberraH  
vaLosAngelesBoekarestAtheneSingaporeAnkaraBratislavaTunisLuxemburgZagrebMontrealSofiaSydneySantiagoDeChileLonden  
elParamariboCotonouLaPazHelsinkiPortOfSpainParijsKievBarcelonaAccraZagrebRiyadhLosAngelesMilaanDarEsSalaamOsloLuanc  
hakaKigaliTelAvivIstanboelHongKongChicagoIslamabadKingstonDamascusTunisBogotáKopenhagenWenenCaracasBernKoealaL  
esLagosShanghaiKopenhagenBagdadHongKongAlmatyMuscatAbuDhabiWenenSanJoséKoeweitWenenKievParijsBuenosAiresMa  
ouOttawaJakartaMuscatColomboManillaOsloNairobiDubaiSaoPauloPretoriaMaputoAmmanBagdadNewDelhiLimaLaPazQuitoBo  
stanboelTeheranKhartoemAbujaParijsStockholmTorontoNewDelhiQuitoSeoelBangkokWenenLaPazParamariboBoekarestSarajev  
apestHamburgVancouverDhakaDubaiBangkokAnkaraAlgiersKhartoemDubaiKobeBrusselMexicoStPetersburgParamariboAnkara  
sSalaamKobeSofiaKoealaLoempoeWellingtonAlgiersAnkaraAbujaChicagoMuscatDakarStockholmKopenhagenCotonouBuenos

## Prologue

In the night of 23 to 24 February 2022, thousands of Ukrainians were rudely awakened by the sound of missiles exploding as Russian troops invaded Ukraine. With this barbaric act of war, Europe awoke to a different reality. Peace on our continent, which we have long practically taken for granted, has been shattered by a large-scale conflict. By invading Ukraine, Russia has gravely violated the country's sovereignty and territorial integrity. Russian bombardments of cities have claimed many civilian lives and triggered massive refugee flows. Once again, there is war in Europe and the consequences are far-reaching, not just for the people of Ukraine but also for European and global security and for the international order.

Russia's invasion of Ukraine will have a profound and lasting impact on the European Union. The EU's initial response was united: it condemned the attack in the strongest possible terms, introduced the largest package of sanctions ever and decided to jointly finance the supply of arms to Ukraine. Now it is time to prepare for the long haul. First of all, the EU must continue to address the direct and indirect consequences of the conflict, including the large numbers of displaced persons, the economic impact and the ramifications for the EU's internal security. In addition, we need to set policy for the long term.

Investments in the green and digital transitions are crucial to phasing out our energy dependence on Russia and reinforcing our digital resilience. Russia's invasion of Ukraine is a turning point in European history. How the EU responds now will to a large extent determine whether we emerge stronger from this crisis. The situation has raised important questions that need to be answered in the near term. What does this crisis mean for Europe's security infrastructure? How can the EU reduce its dependence on countries that do not share our values? The Union and the member states will have to take more responsibility for Europe's security. They can also take decisive steps towards strengthening European sovereignty, reducing high-risk strategic dependencies and improving the growth and investment model, which should be based on the Union's strengths.

These events have made it clearer than ever that the Union is a community of values with a high level of prosperity and protection in which people look after one another and share a sense of solidarity. This government is committed, first and foremost, to preserving what has already been achieved. But we are also looking to the future, and our goals going forward are to make the Union more effective, economically stronger, and greener and safer. It is not only appropriate but also necessary for the Netherlands to play a leading role.

In pursuing these goals, our focus should not be solely on achieving the best possible outcome for the Netherlands. It is the government's ambition for the Netherlands to take the Union as a whole a step further. In this regard, the government believes that in order to ensure the EU is a strong union of strong member states we need to focus on three cross-cutting themes: the rule of law and good governance, upward social and economic convergence and the EU as a geopolitical actor.

An important compass for the government has been the broad-based citizen consultations it has run over the past year in order to listen to what the people of the Netherlands want and expect from the EU.<sup>1</sup> A clear picture of their expectations emerged from these consultations. For example, people believe that cooperation within the EU and between the EU and other countries should focus primarily on major common interests. Besides climate change and the COVID-19 pandemic, those interests include international security and protecting the European economy from unfair trade. The people of the Netherlands also want greater transparency and insight into European decisions and the decision-making process. In addition, they believe that the EU should consult with citizens more often or, better yet, continuously. They feel it is important not only that diverging interests are taken into account but also that decisions are made more expeditiously.

The government has noted that the views expressed by the people of the Netherlands in these citizen consultations dovetail with the goals it is pursuing at EU level. It is committed to ensuring that these views are heard and ultimately translated into concrete proposals at EU level. This has been done before. In 2019, the Netherlands used

---

<sup>1</sup> This resulted in a citizen consultation programme called Kijk op Europa: <https://www.kijkopeuropa.nl/resultaten> and a report by the Netherlands Institute for Social Research (SCP) entitled 'Dutch citizens' expectations and perceptions of the European Union' (<https://www.scp.nl/publicaties/>).

the results of national citizen consultations<sup>2</sup> as input for the priorities set out in the European Council's strategic agenda, which in turn served as inspiration for the priorities of the new European Commission. The government will now work to ensure that the wishes of the people of the Netherlands are translated into concrete policy proposals. Specifically, the government has conveyed the outcomes of citizen consultations to the Conference on the Future of Europe (COFE), so that the views of the Dutch people are represented in the Conference conclusions. In the coming period, the government will work to ensure follow-up, because it is important to show the people of the Netherlands and other Europeans that the EU delivers results. The outcomes of the citizen consultations are consequently a common thread running through this letter.

### *A strong Union of strong member states*

For the EU to be strong, the foundations of good governance and democracy under the rule of law must be firmly embedded within the member states and institutions, and member states must fulfil the agreements they have made. This enables the Union to operate effectively and efficiently. The government believes that the Netherlands, as one of the six founding member states, has a role to play in strengthening the EU.

Reinforcing and protecting the rule of law is a priority for the Netherlands and should be for every member state. The coalition agreement outlines plans for strengthening the democratic legal order in the Netherlands. Respect for the rule of law in the member states of the European Union is fundamental to the functioning of the Union as it is a precondition for the effective and uniform application of EU law and for mutual trust between the member states. The rule of law is indispensable in tackling security threats such as transnational crime that undermines society, digital threats and terrorism. The foundations of European cooperation are under pressure due to continuing concerns about the state of the rule of law in several EU member states. The government continues to join like-minded member states in urging the EU to take a proactive, consistent and determined approach to protecting EU values.

131

The government welcomes the judgment of the Court of Justice of the European Union.<sup>3</sup> In assessing the validity of the Rule of Law Conditionality Regulation, the Court makes interesting observations on the significance of Union values for EU cooperation and the intrinsic competence of the EU to protect those values. The judgment makes it possible for the Commission to withhold EU funds from a member state if rule of law violations impact the EU budget. The judgment also confirms the government's view that financial solidarity goes hand in hand with confidence that member states are using EU funds responsibly.

The citizen consultations in the Netherlands revealed that Dutch people want the EU to be more transparent and democratic. They expect the Union to take its citizens seriously and engage with them continuously. It is the government's view that increasing the Union's democratic legitimacy will strengthen public support for and engagement with the EU. This is important because the majority of Dutch legislation is based on EU law and the EU is therefore a de-facto fourth tier of government. In addition the government will work to make decision-making in the EU more transparent to the public and national parliaments by, for example, making the results and added value of EU policy more visible. To that end, the government announced its intention to introduce a Europe Act. The House of Representatives will receive a framework memorandum for this act by 1 June.

### *Upward social and economic convergence*

The Netherlands stands for an EU that contributes to the prosperity and welfare of the people of the Netherlands and Europe. To achieve that, a resilient and future-proof European economy is crucial. As the largest export market for the world, the single market is the engine that drives economic growth and competitiveness in the EU. The Netherlands is one of the countries that profits most from the trade benefits brought by the single market.<sup>4</sup> In order to maintain a strong business climate for international companies, startups and scale-ups, the Netherlands is committed to ensuring that the EU remains an attractive market for innovative technologies, products and services. Many EU citizens enjoy a high standard of living and can count on a high degree of social protection and wealth distribution. In order to generate and maintain support for the single market, it is

<sup>2</sup> 'Wat willen Nederlanders van de Europese Unie?' (What do Dutch citizens want from the European Union?), SCP May 2019. <https://www.scp.nl/publicaties/>.

<sup>3</sup> <https://curia.europa.eu/juris/>.

<sup>4</sup> See also 'Handelsbaten van de EU en de interne markt', a report (in Dutch) by the Netherlands Bureau for Economic Policy Analysis (CPB), which was commissioned by the Ministry of Foreign Affairs in response to a motion submitted to the Senate by Senator Joris Backer et al.

necessary to guarantee fair competition that is based on innovation and quality rather than on conditions of employment and working conditions.

With a view to mitigating the social and economic impacts of the pandemic, the EU established a recovery instrument to support the member states in their efforts to implement reforms and make investments aimed at stimulating growth. The member states are currently working hard on their national recovery plans. However, the resilience of the Union is once again being put to the test as the economic consequences of the war in Ukraine begin to have a direct effect on the people of Europe. The government wants to play a proactive, constructive and leading role in the EU by working with other member states and international partners to help build a decisive, economically strong, resilient and competitive Union.

Europe's economy and its people need to be highly adaptable to meet the major societal challenges of our day, such as the green and digital transitions, the effects of the digital transformation on the labour market, and shifts in the international arena. We want to strengthen the single market and make it fairer. And we want to accelerate the green and digital transitions and the public and – in particular – private investment needed to achieve them. In order to tackle these challenges the member states must be resilient and work continuously to fortify themselves by implementing structural reforms and making ample high-quality investments with sustainable public finances. This upward social and economic convergence is important because it will enable member states to build up buffers so that in times of crisis they can continue to make investments in projects that contribute to the prosperity of the EU, such as the double transition and new security challenges. Furthermore, a sustainable growth and investment model depends on member states upholding democracy and the rule of law. The transitions will only be successful if these conditions are in place.

As an economic bloc focused on international cooperation, the EU has an interest in an open and stable international trading system. However, the shifting international landscape poses great challenges for the Union. The EU needs to make strategic choices that will allow it to continue to exercise its economic power effectively and play a stronger geopolitical role. Open strategic autonomy is about more than just reducing risky strategic dependencies. It also requires us to consolidate our strength by building up our capabilities and skills, and – wherever necessary – reinforcing European value chains and ecosystems. This is manifested in, for example, the EU Chips Act, which will strengthen the European semiconductor industry and, consequently, enhance Europe's digital and technological leadership. For the EU to build on its strengths, it must work with international partners to tackle societal challenges by developing and upscaling joint solutions that can contribute to future economic growth and prosperity.

### *The Union as a geopolitical actor*

In the area of foreign policy, the EU is our primary forum of engagement. The EU carries greater weight than the Netherlands on its own. The war in Ukraine demonstrates the need for the Union to further mature as a player in the arena of power politics, in terms of military might but also by strengthening the EU's resilience and its geo-economic toolbox.

In response to Russia's invasion of Ukraine, the EU has taken decisive measures, varying from joint financing of arms supplies to far-reaching economic sanctions. These measures illustrate the potential of Europe's capacity to act. The EU should maintain this course. That is why the government is committed to a more resolute common foreign and security policy (CFSP) and to strengthening the EU's common security and defence policy (CSDP). The EU Strategic Compass, approved by the Council on 21 March 2022, sets out the strategy and concrete measures for advancing these objectives in the coming period. In addition, the defence investment gaps will be analysed. The EU should not limit its geopolitical action to the traditional security domain, but should also continue consolidating its economic strength. In the government's view, it is important for the Union – the world's largest internal market – to use its market and regulatory clout more strategically and to increase its capacity to operate as a normative power. In this respect, preserving the rules-based multilateral system is of crucial importance.

This assertive posture is also necessary when it comes to tackling global challenges like climate change and migration flows, and having an impact in countries outside Europe. EU cooperation with countries of origin in efforts to counter Belarus's use of migrants as a political weapon in the second half of 2021 is a good example of a situation in which the EU met its objectives through joint action. In this regard, the government is committed to the establishment of a future-proof, effective and humane asylum system. Other actors with a diverging vision on and agenda for the world order and development are playing an increasingly active role in partner countries in

Africa and elsewhere. Together, the EU and its member states are the largest development cooperation donor in the world. The EU's Neighbourhood, Development and International Cooperation Instrument (NDICI) focuses on neighbouring countries and Africa. More joint action and greater assertiveness will enable the EU to increase its effectiveness and visibility. EU member states and institutions can also act in unison to strengthen cooperation with third countries. The government believes it is important for the EU, in partnerships with third countries, to build on its own expertise and distinguishing values, such as its commitment to leave no one behind. Finally, the EU can strengthen its cooperation within multilateral forums to better ensure that EU values and positions are reflected in the approaches institutions take to reducing poverty and promoting the international legal order.

Below is an explanation of the government's positions on the six priorities of the Commission Work Programme: a European Green Deal, a Europe fit for the digital age, an economy that works for people, a stronger Europe in the world, promoting our European way of life and a new push for European democracy.