

2006

GROUP OF THE EUROPEAN PEOPLE'S PARTY
(CHRISTIAN DEMOCRATS) AND EUROPEAN DEMOCRATS
IN THE EUROPEAN PARLIAMENT

Our Vision of Europe

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Hans-Gert Poettering,
Chairman of the EPP-ED Group
in the European Parliament

in 2020

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Our Vision of Europe in 2020

Group of the European People's Party (Christian Democrats)
and European Democrats in the European Parliament

Our Vision of Europe in 2020



2006

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Contents

Hans-Gert POETTERING	9
INTRODUCTION: <i>Our Vision of Europe in 2020</i>	
1. Roselyne BACHELOT-NARQUIN <i>Keeping the European promise</i>	17
2. Jan Peter BALKENENDE <i>Europe: For a secure future we must go back to the source</i>	25
3. José Manuel BARROSO <i>Our vision of Europe</i>	35
4. Jacques BARROT <i>On the way to 2020: Revitalise Europe</i>	41
5. Simon BUSUTIL <i>Shaping Europe's future</i>	51
6. Panayiotis DEMETRIOU <i>Quo Vadis Europa?</i>	59
7. Armando DIONISI <i>Christianity, Europe, the West</i>	65
8. Valdis DOMBROVSKIS <i>Latvia and Europe for future generations. What will they be like?</i>	71
9. Avril DOYLE <i>Health – Our Vision of Europe. Driven by statute or the courts?</i>	81
10. Camiel EURLINGS <i>Keeping the European dream alive</i>	91

CONTENTS

11.	Jonathan EVANS	99
	<i>Europe in 2020: The economic revolution fulfilled</i>	
12.	Benita FERRERO-WALDNER	107
	<i>Europe as a global partner</i>	
13.	Ján FIGEL'	115
	<i>Europe – Area of hope</i>	
14.	VASCO GRAÇA MOURA	121
	<i>The new European dynamic</i>	
15.	Mathieu GROSCH	127
	<i>European integration and globalisation</i>	
16.	Gunnar HÖKMARK	133
	<i>Europe's success is based on being brave enough to see beyond today's borders</i>	
17.	Piia-Noora KAUPPI	143
	<i>Vision for Europe 2020</i>	
18.	Vytautas LANDSBERGIS	151
	<i>Visions and provisions</i>	
19.	Wilfried MARTENS	155
	<i>The future of the Lisbon Strategy: Committing Europe for growth</i>	
20.	Jaime MAYOR OREJA	161
	<i>Europe: A story of freedom</i>	
21.	Henryk MUSZYŃSKI	167
	<i>Europe in 2020</i>	
22.	Markus FERBER and Hartmut NASSAUER	175
	<i>Europe as a community based on values</i>	
23.	Ana PALACIO	181
	<i>Our security</i>	

CONTENTS

24.	Alojz PETERLE	185
	<i>A vision of Europe in 2020</i>	
25.	Zuzana ROITHOVÁ	187
	<i>Common heritage, common tasks, common will</i>	
26.	Ivo SANADER	193
	<i>Croatia and Europe in 2020</i>	
27.	Jacek Emil SARYUSZ-WOLSKI	201
	<i>European Neighbourhood Policy</i>	
28.	Gitte SEEBERG	211
	<i>Common values, common future</i>	
29.	Jean SPAUTZ	217
	<i>Europe Day, 9 May 2020</i>	
30.	Peter ŠŤASTNÝ	227
	<i>A safe and prosperous Europe in 2020</i>	
31.	Ursula STENZEL	235
	<i>A realistic vision of Europe</i>	
32.	József SZÁJER	241
	<i>A community of communities</i>	
33.	Antonio TAJANI	247
	<i>The kind of Europe we want</i>	
34.	Ioannis M. VARVITSIOTIS	251
	<i>The era of international interdependence.</i> <i>The ecology of cultures and the role of the EU</i>	
35.	Bernhard VOGEL	257
	<i>European heritage and the European task:</i> <i>Europe 2020 – A cultural and value-based community</i>	
36.	Jan ZAHRADIL	265
	<i>The present situation and future of European integration</i>	

Hans-Gert POETTERING

Chairman of the EPP-ED Group
in the European Parliament



Our Vision of Europe in 2020

I

'Where there is no vision, the people perish.'

By ending his September 1939 memo to Winston Churchill and Franklin Roosevelt with this biblical quotation, Jean Monnet¹ was calling to mind an ancient piece of wisdom. In order to live meaningful lives, peoples, nations, organisations, even families – all of us need a vision of the future. A vision is not merely an image or a mere projection of the present. A vision implies a project, a hope. Without a project, without hope, we lack the strength needed to appreciate life and to be active.

In 1939, the democracies needed to be mobilised to prepare for the most immense war effort that the Europeans and Americans would have to mount, in order to overcome the nightmare of Nazi totalitarianism and fascism, and re-establish freedom and human rights. Similarly, John Paul II, by nourishing the hope of the peoples of Central and Eastern Europe, oppressed by decades of Communist dictatorship, gave them a vision of their destiny and their future. Faith in mankind, carried along by love of freedom and spirituality, enabled these peoples to live through the long winter that history brought down upon them.

Meanwhile in 1950, in the west of our continent, the shared vision of Robert Schuman, Konrad Adenauer and Alcide De Gasperi made possible what had seemed unattainable to the victims of the war: forgiveness, reconciliation and brotherhood. As Hannah Arendt brilliantly puts it in her book *The Human Condition*², the miracle of forgiveness, which undoes the deeds of the past, is closely dependent on the faculty to make and keep promises to rescue us from an unpredictable future. The vision of a better world, the promise of a Europe of peace and tolerance, were the fundamental driving forces and the keys to the success of the Schuman Plan of 9 May 1950, which led to the founding of the European Coal and Steel Community, the cornerstone of the EU's political and institutional system.

HANS-GERT POETTERING

Jean Monnet's vision of 1939, that of the founding fathers in 1950, and that of John Paul II taken up by the leaders of Solidarity headed by Lech Walesa in 1980, are visions that have inspired our peoples to overcome their despair and helplessness, and find places of happiness.

II

Where there is no vision, the people perish. We were reminded again of this quotation in spring 2005, when many Europeans sent out distress signals and showed symptoms of collective fatigue over the process of ratifying the European Constitution. Rising unemployment, fear of insecurity, emerging populist movements, fear of losing identity, weariness with excessive and remote regulations, economic globalisation and its consequences for Europe: these are issues about which Europeans are now asking questions.

Indeed, in this Union of 25 Member States, with its wealth of historical and cultural diversity, so many traditions and so many perceptions, many more questions than this are being asked. The questions differ from north to south and from east to west of our continent. The ethnic fabric of Europe is so complex that we cannot talk about a European people, nor even a European public space, despite the new communication technologies that facilitate interchange and produce masses of information in real time.

Taking up a proposal made by the EPP-ED Group to Europeans on 7 June 2005, a few days after the 'no' vote in the French referendum on the Constitution on 29 May, and in the Dutch referendum on 1 June, the European Council agreed on 17 June on a "period of reflection". This marked the beginning of a democratic breathing space, a pause in the process of European integration, which may be used for discussion forums and groups and an intensive exchange of arguments.

The historic process that saw the defeat of communism and the collapse of the Soviet empire fifteen years – half a generation – ago, was fast and furious, and it is now time to get to know one another better as Europeans.

The enlargement from 15 to 25 States in just a few years is undoubtedly one of our most striking achievements, and our EPP-ED Group was no doubt its most committed architect, just as it was for the creation and circulation of the euro. The reunification of Europe in freedom and peace is the highest political and cultural enterprise that a decision-maker on our continent can dream of devoting himself to in our time. We have been both the committed protagonists and the witnesses of a movement that has advanced more quickly than we could have imagined. Few have had such a broad and noble vision, and the shared commitment of Chancellor Kohl, President Mitterrand and Commission President Jacques Delors will go down in the annals of our history.

INTRODUCTION

Today, we have much to learn from one another in this reunified Europe. The experience in the east of the continent during the tragic decades of communism is at variance with that of Western Europe, protected by the Atlantic alliance and steeped for more than 50 years in a society of growth and consumerism. I am personally convinced that the spiritual, cultural and artistic treasures which the societies of Central, Eastern and Baltic Europe possess will represent an opportunity for considerable enrichment for the peoples of Western Europe.

Communication and greater sharing of ideas will be the keys to our success as Europeans by 2020, whether in the form of contacts between young people (through university contacts, travel, spiritual and ecumenical meetings, and arts festivals), between towns and regions, through twinning, shared projects and charitable exchanges, or between the European and national institutions, with members of parliament and local elected representatives at the forefront.

We must get to know one another better in order to accept one another, to be enriched through our differences, and to create the future together. This, of course, calls for time and resources. Are we all convinced nowadays that Europe means peace? That every day invested in peace is the best possible investment, and that – conversely – national egoism, mistrust and a spirit of superiority and discrimination lead insidiously and inevitably towards conflict, which always has an unbearable cost in terms of suffering and destruction?

The aim of this book *Our Vision of Europe in 2020* is to take part, as the largest political group in the European Parliament, in the democratic debate focusing on the ‘promise of the future’ to overcome the difficulties of the present and the ill-feeling of the past. Our parliamentary group – the only one to be represented in the 25 Member States of the Union – and the prominent political figures linked to or belonging to our political family, do not hold one single identical vision of Europe over the coming 15 or 20 years. The wide variety of opinions in the parties making up the EPP-ED Group is both well-known and desirable. The important thing is that, in our political action in the Member States and within the European Parliament, we all agree on the unchanging essence: a certain concept of mankind, indomitable, born free, with equal rights and duties with respect to Creation. None of us will concede the least point of this creed which enables us to overcome all differences of material interest, all passing and superficial rivalries, and all our different approaches in order to manage the economic and social aspects in the best possible way. Believing in mankind because mankind is both mystery and hope, and working for the common good while honouring values that are deeply rooted in our Judaeo-Christian heritage, in an unrelenting commitment to the advancement of law, solidarity and mutual respect, is the shared mission of all the members of the EPP-ED family contributing to this book.

HANS-GERT POETTERING

III

Such a heritage means a responsibility for us as a political force. By 2020, Europeans will have to take a stand on the consequences of rapid progress in basic research in biology and life sciences; we will have to face the ethical choices between the need to give every chance to medicine and the relief of human suffering and, at the same time, set limits within which we, as Christian Democrats and European Democrats, define the essence of being human, creatures of the divine. Such choices can only be made democratically, but should be informed by the wisdom of spiritual authorities in whom the peoples of Europe see their views represented. The Charter of Fundamental Rights contained in Part II of the Treaty on European Union must be expanded to take account of our ethical values and the developments in biotechnology over the next 15 years.

Science and technology have driven the development of Western societies, and their economic and strategic power in the 19th and 20th centuries. The early decades of the 21st century will spread the benefits of research and progress in information technology to other continents, essentially highly populated and vibrant Asia. Europe cannot stand aside from this tremendous race for productivity, reducing costs and enhancing national well-being.

In the light of this, our vision of Europe in 2020 is founded on a two-fold requirement:

— Firstly, to influence the world in such a way that natural resources, the environment, and the earth's ecological heritage – which we see as God's creation – are not destroyed by the anarchic exploitation of these riches. The growing levels of consumption of raw materials and oil are worrying, and may lead first to price wars and later to armed conflict. The natural scarcity of one precious resource, water, may also become increasingly acute as a result of climate change and the explosive growth in the population, and may cause new internal and international conflicts. In seeking to resolve these problems, our willingness to act as peacemakers will be challenged as never before.

In the future, the survival of humanity will be inextricably bound up with our own survival as ancient populations of this little 'headland of Eurasia' that is Europe. Unless Europe speaks with a single voice in the existing international fora, it will share the blame should the world drift towards anarchy or power struggles flare up again. If need be, Europe must exert its power to strengthen or encourage the emergence of forms of world government, which will ensure that the planet's resources are managed optimally for future generations. This requirement entails the creation of a European political authority, powerfully legitimised by the people, acting in their name and based on the consensus of the Europeans around their common values. By 2020 we must have agreed on and appointed a President of the European Union who will have the EU's authority and mandate to speak on equal terms with the President of the United States and the

INTRODUCTION

President of China. Since our values are essentially the same, the alliance between Europe and the US will remain of great importance in the 21st century.

— Secondly, to significantly increase the human and financial resources that Europe provides in the field of research and science in order to remain in the race for global competitiveness. The ‘Lisbon Process’ launched by the European Council in March 2000, set as an EU objective by 2010 ‘to make Europe the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’.

All this legitimate ambition would gain credibility and mobilise public opinion if, in each Member State, it were accompanied by corresponding national measures, which governments often shrink away from. Our Group therefore calls for optimum use of the Union’s financial resources to drive European research and technology ahead and to stimulate our economies in the face of worldwide competition.

In 2020 the European Union should have a research and development capability in the field of new technologies at least equivalent to that of the United States, and an increasing share of the EU’s budget must be devoted to them in order to achieve a cross-fertilisation of brainpower and the pooling of resources.

IV

Our modern society is in a phase of its history characterised by the uncertainty principle. The choices are almost infinite, and the underlying situation makes any planning uncertain. Politicians are increasingly unable to forecast all the factors that will determine the politics of a continent, which is itself increasingly linked to globalisation.

According to the Greek philosopher Epictetus, wisdom is the ability to distinguish between what is within our control and what is not:

— We wish to exert our influence, as the main political force in the European Parliament, for the good of a European Union that preserves the Community’s institutional system established by the founding Treaties. The balance and dialogue between a democratic European Parliament, a strong Commission that accepts its responsibilities as guarantor of the common European interest, and a Council that engages the States in the definition and application of European law at national level, is irreplaceable. We regard this as non-negotiable. A return to a Europe of axes and coalitions can lead only to confrontation and deadlock. We will always put respect of the law before the use of force, majority voting before the veto, and equality between States before the dominance of power blocs. With or without a Constitution, our Union cannot survive if it goes back on the principles of the Community institutions. Winding the clock back and making the Union nothing more than a free-trade area would be an insidious return to a

HANS-GERT POETTERING

Europe of nationalism and populism, which is something we emphatically reject.

— In the face of the uncertainties of the future, but also in the face of its opportunities, Europe needs to develop a great capacity to listen, as well as great humility, in two areas:

– Firstly, within the *internal* frontiers that will determine how much integration and how close a Community we wish to achieve. Each new piece of European legislation will have to be justified in terms of subsidiarity, costs and benefits, and added-value for citizens. We will advance case by case, so that the internal market operates in the best possible way for consumers, jobs, growth and sustainable development. But is it possible or desirable to set a definitive and rigid breakdown of competences between European and national levels for the next 15 years? Would it not be wiser to be pragmatic considering that – since its inception – European integration has above all been a process of realistic adaptation of our countries to the new conditions in the world? I am convinced that any ‘ideal’ integration, and any systematic planning that we try to impose without taking account of the shifting reality of our economies and societies is doomed to failure and will be rejected by public opinion. The Union of 2020 must put quality before quantity. We must fight bureaucratic accretions, whether in our States, our regions or in Brussels. As the European Parliament, we could rapidly work with the Commission and the Council to check that the current Community legislation, regulations and directives are relevant and up to date.

– When considering the workability of a Union enlarged to 28 or more members, one has no option but to address the issue of *external* frontiers and the Union’s capacity for further enlargement. Unless we expand majority-voting in the Council and codecision involving Parliament on an equal footing, the operation of the Institutions could gradually be paralysed.

The figure of 28 States would cover the present 25 plus Bulgaria, Romania and Croatia. Other Balkan States should be gradually adapted to European structures, with the long-term objective of EU membership. Other (Eastern) European countries, such as Ukraine, would have to begin by deciding for themselves whether they want to create the conditions for closer relations with – or even membership of – the EU. The European Union should seek stable and ordered special relations with Russia. Russia cannot become a member of the EU, since its size would allow it to dominate the other countries; however, the stability and security of the European continent in the 21st century will be founded on the two pillars of the European Union and Russia and the good relations between them.

Now Europe faces a crucial decision: Do we want not just an economic Union, or a Union enlarged merely for reasons of security, but a political Union with its own European Constitution? If so, we must weigh up these issues when considering further enlargements. If, for example, Turkey were to join the EU, not only would the character of the Union change fundamentally, it would also soon be geographically, politically, culturally and financially overburdened. The borders

INTRODUCTION

of the Community would shift and other applications for membership would follow. In particular, Turkish accession would "over-stretch" the Community, and might mean losing the common factors which unite Europeans, the power which creates identity.

Turkey and other – European – countries might be offered a 'privileged partnership' as an alternative to membership, to promote their democratic stability and economic development. This assumes that the Union has a real capability to give financial and technical assistance to ensure internal security and the modernisation of the whole continent. For example, in the common interest, we must promote the major transport and energy networks and work together to combat terrorism, crime and illegal immigration.

The last two aspects – terrorism and immigration – demand from us a new perspective for our relations with our important neighbours in the Mediterranean area, to whom we are linked by history, trade and also migration. The Barcelona Process as a comprehensive project for cooperation and participation on an equal footing between the European Union and Southern and Eastern Mediterranean coastal states will gain in importance with the objective of ensuring peace, stability and prosperity in the Mediterranean region – by relieving poverty, creating an area of common prosperity and shared values, stronger economic integration and greater political and cultural relations with the neighbouring regions of the enlarged European Union.

The EU-Mediterranean political dialogue should help to answer the question of how to nip terrorism in the bud through a policy of understanding between cultures, and to deprive it of nourishment by constructive cooperation. In this connection a dialogue with Islam is of crucial importance. The people and culture of the Mediterranean area are imbued with Islam. We must seek, by a policy of understanding, to avoid a clash of civilisations, on both sides of the Mediterranean. By contributing to greater prosperity in their home countries, we must give young people the prospect of jobs and an incentive to stay in their own countries. Those who are already in Europe and will come in future in the course of ordered development must be enabled to integrate with us.

In conclusion to this introduction to a work that is part of the effort to keep European citizens informed of the political objectives that we are setting ourselves for Europe, my hope is that we are thereby helping to re-establish the indispensable confidence between public opinion, citizens, stakeholders and young people on the one hand, and the EU's institutions and the European political forces organised at European level, such as the EPP-ED Group, on the other. Only with confidence, only with the revival of that dialogue, can this historic project of the necessary union of our European continent have any chance of success.

HANS-GERT POETTERING

I am delighted that all those invited to contribute have done so. The list of contributors to this book, their commitment and strength of purpose, are a source of pride for our political family. I thank them and hope that our readers will welcome our parliamentary group's initiative and that it will testify to our intention to enrich the European public debate.

November 2005

¹ Jean MONNET, *Memoirs*, Collins, 1978.

² Hannah ARENDT, *The Human Condition*, University of Chicago Press, 1998.

Roselyne BACHELOT-NARQUIN

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Keeping the European promise

European Parliament Chamber, 9 May 2020

The President of the European Union had chosen the symbolic date of 9 May in the year 2020 to call a formal session of the European Convention to approve an amendment to the constitution of the Union: the *Treaty establishing a Constitution for Europe*. Invited to speak by the Praesidium, the President began by explaining on behalf of the Heads of State or Government the reasons for this exceptional meeting: to take account of the new international treaty negotiated by the European Union within the framework of the World Trade and Sustainable Development Organisation (WTSDO). For the first time a European Convention was meeting because of an international step forward and not at the request of a group of States or because of a European petition of a million citizens.

Next it was the turn of the President of the European Commission to speak to the members of the Convention, MEPs and national MPs. As the guardian of the Constitution and defender of the general interests of the Community, the Commission expressed its support for this strong and innovative step in the history of the European Constitution. The former conservative Prime Minister of Norway who was responsible for his country's referendum on membership, began his speech appropriately with a tribute to the founding fathers, including Robert Schuman, whose words, now praised in schools across the continent, he recalled: 'World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it. The contribution which an organised and living Europe can bring to civilisation is indispensable to the maintenance of peaceful relations. [...] Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.'

ROSELYNE BACHELOT-NARQUIN

The President of the Commission then gave an uncompromising picture of the serious diplomatic difficulties within the United Nations and the WTSDO: environmental degradation and pollution and the resulting obstacles were affecting the freedom of movement of people, goods and services. It was a credit to Europe in partnership with Russia and Turkey to have affirmed in a joint declaration its will to sign this new treaty introducing new environmental standards. By rising above the violent conflict that had arisen on that occasion between China and the United States, Europe hoped to set an example by making this international law part of its constitution. Chinese neo-imperialists, who were very influential with President Deng, were refusing to submit to these rules because of the largely Western origins of the pollution, but also because they refused to recognise an international law higher than that which now governed the billion and a half inhabitants of the Federal Republic of China. President George Prescott Bush, nephew of the former President and the first President of Hispanic origin in the history of the USA, supported by the whole of Latin America united within Mercosur, was actively lobbying for ratification of the Treaty but had to face strong opposition in Congress with its Republican majority.

The leaders of the political groups in the Convention then spoke, each expressing their opinion whilst using the platform to give their assessment of the 15 years of changes that had followed the major crisis of 2005.

— The Greek Chairwoman of the EPP (European People's Party) Group paid a warm tribute to Russia and Turkey for the common position defended in partnership with the EU on the WTSDO Treaty enabling the Eurasian continent to defend the compromise with a stronger vote. This was a chance for the EPP-ED Chairwoman to praise the grand alliance of the three civilisations and the peaceful settlement that former Turkish Prime Minister Erdogan and his Greek counterpart Karamanlis had come up with during the Bosphorus Summit in 2009. Initially conceived as a positive and constructive alternative to Turkish membership of the EU, which was causing insurmountable technical and political problems, but more than just a 'special partnership' that would lack sufficiently strong institutional links, by renewing the old Council of Europe, this compromise made Europe as a whole part of a grand alliance of the three major civilisations of the Eurasian continent. For too long the European political class had sought to set the two Europes – the continental and intergovernmental Europe of the Council of Europe, and the European Union with its Community vocation – against each other, without realising that they were in reality complementary and represented two sides of the same ambition, the same project and the same hope, *to unite all people*. The 2009 negotiations, besides settling the Cyprus question definitively, also fulfilled the expectations of Russia which after the fall of the Soviet regime was

KEEPING THE EUROPEAN PROMISE

struggling to find a place for itself and establish peaceful, positive relations with its EU neighbours and very often with its partners in the CIS (Community of Independent States). The new Council of Europe Treaty, by renewing that of 1949, had also given the new institutions wider powers. In addition to fighting terrorism, serious crime and the proliferation of weapons of mass destruction, the European continent also had its own energy and environmental policies, which were linked, pollution being no respecter of borders.

On the substance of the debate, the EPP MEPs joined together in voting for the proposal, apart from a minority opposed to the idea of including in the constitution rules that were material rather than institutional. Meeting in the Poettering room, after a long debate the MEPs had given their Chairwoman a clear mandate of support for the Union Presidency. The very dynamic Chairman of the British Conservative Party, who was also a member of the Convention, had promised to speak emphatically to the National Committee of the American Republican Party which he was shortly due to address as a member of the House of Commons, to try to influence Congress.

— The British Chairman of the PESD (Party of European Social Democrats) Group paid a warm tribute to former Prime Minister Tony Blair. The priority given to energy, research and space policy under his leadership more than 15 years ago had put the EU in a strong position to meet pollution reduction targets. Energy self-sufficiency would be in the 21st Century what agricultural self-sufficiency had been in the 20th Century. European policy had shown great foresight with regard to drastically diminishing fossil fuels, by reviving the nuclear industry with research on the ITER reactor and renovating existing nuclear electricity generation facilities, developing renewable energies and alternatives such as biofuels, and controlling consumption through a vigorous energy efficiency policy. The European Union had gained standing as a major space power by agreeing to turn its national programmes into Community-wide efforts and develop active partnerships with Russia and Turkey. The Group Chairman congratulated the European astronauts who were preparing, along with a Russian and a Turk, for a mission to Mars. Concluding, the Social Democrat leader praised the unity of the Eurasian continent and the compromise found within the European Union among the 35 Heads of State and Government. Lastly, the PESD Group felt that the European Union's new borders drawn in 2018 after the last enlargement, symbolically 100 years after Europe's suicide in the First World War and taking in the former-Yugoslav republics that had not yet joined, were definitive and made for a good balance.

— The Chairman of the Liberal (ELDE) Group began his speech on the question of human rights. These were a fundamental issue and the search for a compromise with China was no excuse for overlooking the recurrent attacks

ROSELYNE BACHELOT-NARQUIN

observed in that country on its nascent democracy. In this context, settling the EU's institutional issues had made it possible for the EU to exert an influence on the international scene. Today, common foreign policy was truly integrated, with a European seat on the UN Security Council alongside the old European permanent members. The Chairman of the Liberal Group recalled that his Group had often been in the forefront of discussions that led to the renewal of the founding texts of the European Union. Today, those texts finally gave Europe a dual legitimacy, as a union of nations but also of citizens. The long-awaited reform of the three institutions, the Parliament, Council and Commission, had lifted them out of deadlock.

- The European Parliament had 700 MEPs elected in accordance with a uniform law.
- The Council and the European Council had merged to become the Council of States under a single president, and qualified majority voting had become the norm, with constitutional revisions of common policies subject to a super-qualified majority.
- The European Commission had 12 members supported by assistant Commissioners. It was answerable to the European Parliament.

The Liberal Chairman hoped ultimately to go even further with integrating some policies, but agreed that a pause was undoubtedly necessary to avoid the kind of upset that had destabilised Europe so badly 15 years before.

— The joint spokesperson of the Group of the Greens recalled the excessive delay in combating the greenhouse effect and climate change, despite appeals by the Greens over the last 20 years. She attacked head-on the parties of the European governments, socialists and conservatives alike, accusing them of not having grasped what was at stake and of reviving the nuclear industry. 2019 had been another year of large-scale natural disasters with flooding causing thousands of deaths. The Italian MEP explained that these environmental changes were occurring in a context of water shortages and pollution, and the invasion of traditional crops by GMOs that now covered several million hectares in the European Union, threatening the health of consumers and generating profits for American growth funds, while European pensioners were seeing their incomes collapse.

— The Slovak Chairman of the UEN (Union for Europe of the Nations) Group announced that his Group would not give directions on how to vote. Divided over the relevance of the amendments which had been submitted to the constitution, the representatives of the national right would therefore have complete freedom to vote according to their conscience. However, the Group did not identify with the development of a law based on the idea of an international community, which could be directly integrated into the law of regional political communities. The UEN was campaigning for a solidarity that reflect-

KEEPING THE EUROPEAN PROMISE

ed the multipolar world as it existed and that therefore relied on cooperation and not on the integration of the different poles. The Group's Chairman also shared his concerns about the content of the regulations being incorporated into the constitution, starting with the precautionary principle, and on their impact on the competitiveness of the European economy. Expressing his own personal views, the Group's leader, from Bratislava, shared his desire to see Europe go back to its vision of diplomacy by example as conceptualised by Václav Havel for the first time in his historic address to the French National Assembly in 1999¹. In the mind of the great playwright and former President of Czechoslovakia and then of the Czech Republic, 'the idea of responsibility for the world' that was his wish for Europeans, should not resemble a form of European imperialism. It should really be the exact opposite, being about setting an example, showing the way with humility, like the One who took 'upon His shoulders the cross of this world'. In conclusion, the MEP invited Europe to think deeply about the model of society that could serve as an example rather than trying to define new legal and material constraints for the world, which had such unpredictable effects. Europeans should not run away from the real causes of the world's problems, which originated from our collective errors and unbridled individualism. The Group Chairman ended his speech by reading an extract from a speech by Václav Havel to the European Parliament on 16 February 2000, the recommendations of which remain largely relevant today: 'It seems to me that, at this turning point in time, it is up to Europe to take a good look at its equivocal contribution to the world and to realise that we have not only taught the world human rights, we have also shown it the Holocaust. We were the spiritual mentors not only for the industrial and then the information revolution, but also when it came to disfiguring nature in the name of rampant materialism, pillaging its resources and polluting its atmosphere... Humility, affability, kindness, respect for what we do not understand, a deep feeling of solidarity with others, respect for what is different, the willingness to make sacrifices or do good deeds which eternity alone can reward, the eternity which watches us, silently, through the eyes of our conscience. These are the values which could and should be on the agenda as we construct Europe.'

— On behalf of the GUE (European United Left), the French Chairwoman attacked the leaders of the EPP, accusing them of being the puppet of big business and referred to Marx's prophecy about self-destruction. Her speech was met with loud whistling. She finished prematurely, the members of the 'other world' wing of her Group taking her to task, accusing her of archaism and an inability to distinguish between the different tendencies within the GUE. The French MEP answered back, condemning their irresponsible revisionism. In great confusion, the Group took refuge in an abstention, which it

ROSELYNE BACHELOT-NARQUIN

would not be unreasonable to suspect did nothing to make triumphant capitalism falter.

— The speaker from the Independence and Democracy Group violently opposed the amendment to the European Constitution. The Icelandic MEP saw this reference to the WTSDO as the subservience of European law to international law, which was not based on a sense of political belonging that was generated by the nation or to a lesser extent the European Union. That law resulted from negotiations viewed as opaque and technocratic and it was dangerous for the people of Europe to recognise a law other than European law and national law.

— An independent Bosnian MEP spoke for the unaffiliated members. The last to join the EU and the most attentive because they are the most impressed, the Bosnian members were also still listened to with the greatest respect. Their member, elected at the top of a list of philosophers and social leaders for reconciliation, understood the concern of his colleagues not to forget a recent period when the EU was faltering under the weight of failure of the referendums and in the wake of major political differences over the start of the war in the current Federal Republic of Mesopotamia. The member understood it, but could not agree with it. Coming from a martyred people that suffered more for having no identity, to cheers from the other groups he appealed to people to look to the future and to its new challenges rather than constantly harking back to a past full of divisions for Europeans. A Muslim, the MEP could no more find a message of unity in our history than in the history of Bosnia. Only the future and common projects could unite Europe. The MEP then asked whether it was still appropriate to refer to the founding fathers and especially to follow their recommendations. He then provided the answer, aided by Otto von Habsburg, who in his *Memoirs of Europe*, wrote: 'Whoever does not know where he comes from can not know where he is going because he does not know where he is', then qualified this a few lines later by saying 'history may be a guide, but it should never be a tyrant'.

Fifteen years earlier, in 2005, the European Union went through a serious political crisis leading to the progressive weakening of the European Commission and operational paralysis. The crisis seemed deeper than ever after the failure of the French referendum on the European Constitution on 29 May. Many political leaders feared, with good reason, that the European promise would be watered down into a free trade area with no real political ambitions. Not only would the founding fathers' project have been destroyed, but with even greater certainty the ability of the European people to defend their interests, values and way of life in the world of 2020 would also have gone. But the worst does not always happen and political life is never plain sailing.

KEEPING THE EUROPEAN PROMISE

As history marches on, it will provide many challenges and many opportunities for European leaders to renew their commitment to the Community, and the doubts and uncertainties of 2005 can be turned around to give a second wind and prove the value of Europe once again in the hearts of its citizens. How can MEPs from the EPP-ED Group and its leaders keep the European promise? The greatest Europhile among 20th Century writers, Stefan Zweig, in his biography of Erasmus, gives us the answer: 'We will always need those who can show people what unites them over and above what divides them and who can renew in the hearts of men a belief in the highest humanity.'

September 2005

¹ 'Pour une politique post-moderne', speeches 1992-1999, translated from the Czech by Jan Rubes. Éditions de L'Aube, 'Monde en cours. Intervention', 1999.

Jan Peter BALKENENDE

Prime Minister of the Netherlands



Europe: For a secure future we must go back to the source

Introduction: a global challenge

At the end of last year the Research Centre at Goldman Sachs published a study with the grand title *The Path to 2050*, in which researchers forecast the way in which the world economy will develop in the decades to come. The forecast is spectacular. There will be a drastic shift in the focal points of the world economy. Of the current six great economic powers – the USA, Japan, Germany, France, the United Kingdom and Italy – only two will remain in the top six in a few decades' time. These are the USA and Japan. The European countries will have to yield their position to China, India, Brazil and Russia. In 12 years' time China will be the world's second largest economy. And by 2040 or so China will have overtaken the USA as the greatest economic power.

Now, it is obvious that forecasts are always surrounded by considerable uncertainty. In the final analysis the reality will often look different. The researchers at Goldman Sachs are the first to admit this. They explicitly point out the uncertainties in their models. They assume that the up-and-coming economies will continue to pursue their policy of growth unabated.

If we look at China and India, for example, the conditions are amply satisfied for the time being, all things being equal. At present, 2050 still seems a long way off. But appearances are deceptive.

2050 is the year when our children will be preparing for their pensions and our grandchildren starting families. Is that a long way off? I don't think so.

There are enormous changes ahead of us. In the economic power of nations and regions. In the flow of trade and investment. In the movement of capital. In the dissemination of knowledge and welfare around the world. And I have considered only the economic changes. Our entire political and cultural orientation might change. There is much more involved than simply the relocation

JAN PETER BALKENENDE

of a production line from Rotterdam to Shanghai. Or a Division of ICT moving from Amsterdam to New Delhi. The world is changing – of that we can be certain – but we do not know how exactly.

How strong will Europe be in the decades ahead? It is not so much a matter of our *economic power*. It is a matter of whether people will be able to build a good life in Europe and whether there will be a social safety net for those who rely on it. Be aware: this is not a matter of course.

Will Europe be strong enough and flexible enough in a few decades' time to be able to anticipate these changes? To seize new opportunities and ward off threats? What role will the European Union play in all this? It is in the nature of the Union to tackle transnational problems.

Here we are faced pre-eminently with a 'transnational problem'. Or, to formulate this in more positive terms, a 'transnational challenge'. I am convinced that only *together* will the nations of Europe be able to create a sufficient socio-economic dynamic and elasticity to be able to continue guaranteeing their own prosperity and solidarity in a rapidly changing world. This will not be that straightforward. It will require a lot of hard work.

Our prosperity, our social provisions for anyone with a genuine need, our fighting spirit in a changing world – these we can guarantee only by providing European solutions to our problems, and by giving the EU a real opportunity to act as an economic community, both internally and externally. To that end it will be necessary to 'adapt institutions and policy to structural changes'.

Thus it is not a question of 'everything improving of its own accord after the cyclical dip'. It is time for Europe to get up from the easy chair of idleness.

The Lisbon strategy must be less non-committal

There is certainly no shortage of plans and strategies at present. Everybody has heard of the Lisbon strategy. What is as yet lacking is the will to implement identified strategies actively too.

And here Europe is playing a dangerous game. The Union is risking its own vital role – its special added value. It is precisely in matters which have a chance of success only in a European context that we must dare to realise our ambitions, however difficult the measures which are needed may be. I am thinking not only about making the labour market more flexible, but also about reforming social security and providing a solid basis for pension systems. Here we are faced with a difficult problem. For an important part of the international Lisbon agenda relates to economic reforms which the national authorities must implement.

EUROPE: FOR A SECURE FUTURE WE MUST GO BACK TO THE SOURCE

In the Netherlands we are working on this. We are reforming social security and social services in order to make them sustainable for the future. We are making the labour market more flexible. Not to make it easier to dismiss people, but to help more people to find work. I should point out that the EU has an unemployment rate of 9.1%. The USA, with a more flexible labour market, does things much better, with 5.6%. Not for nothing can the American economy recover from an economic recession more quickly than the European.

Generally speaking, reforms in Europe – especially in the ‘old’ Member States – are difficult to get off the ground. Around Europe’s ambitions and agreements there hangs a non-committal atmosphere which may turn out to be disastrous for the future of 450 million European citizens.

The European Union is not good at changing existing systems and structures. We are more inclined to hold on tight to what we already have like a swimmer with a leaky airbed. But where will that get us as the current steadily gets stronger?

What is needed is political nerve. And political nerve is something which the new President of the Commission, José Manuel Barroso, does not lack. In his proposals for the revision of the Lisbon Strategy he shows not only leadership, but also realism. He calls Member States to account in respect of their responsibility. They will have greater freedom in how they implement their agenda for reform, but there will be a strong emphasis on implementing the agreements which have been concluded. Barroso is convinced that Lisbon can have a credible launch only if we form a partnership. A partnership of Member States, social partners and the Commission. And the Commission has shown that it is quite willing to do all it can.

Barroso correctly assumes that there is no alternative in prospect to the Lisbon agenda if we in Europe desire lasting growth.

It is for us, the national politicians, to explain clearly to our own public what this means, i.e. the modernisation of our old and trusted structures and systems. This is not an easy thing to do, for it includes measures which will not appeal very much to citizens in the short term.

Politicians must therefore – in the words of Franz Walter – declare where the journey is going. Where the Promised Land is at the end of the desert of thrift, restriction and lost privileges. What it looks like. But to give a direct answer: a strong, safe and solid Europe for our children and grandchildren and for ourselves. That is where the journey is going.

We must dare to recognise and explain that *short-term* options amount to options for a *defeatist strategy* which will undermine structural growth and leave Europe’s citizens vulnerable in a rapidly changing world.

What can we do to prevent this?

JAN PETER BALKENENDE

Firstly: hold fast to the rules of the Internal Market and the Monetary Union. They form the basis for our prosperity. The maintenance of these rules must be fought for constantly from one day to the next. It is essential that the European Commission – as the guardian of common Community interests – should stand firm on this.

Secondly, the European Council must pay considerably more attention to economic growth. As far as I am concerned Europe's capacity for economic growth is an important point of interest for the European Council every six months, i.e. not only in the spring European Council, but also in the autumn. The Dutch Presidency did this too. Strengthening our economies is one of Europe's core tasks.

Thirdly, we must recognise that we have a problem *justifying* the implementation of the collective policy. We commit ourselves, but nowhere do we need to account for the implementation of our pledges. Among themselves Member States seldom seem disposed to 'peer pressure'. But too little pressure is also exerted by national governments. Perhaps this is also down to the process's lack of transparency. There are too many different reporting mechanisms. Sometimes the European Council's conclusions are badly circulated. Responsibilities are divided among several councils and ministers. Among the new Commission's proposals are creative and bold proposals to improve transparency and accountability within the Lisbon strategy. There will be a single set of guidelines. A single reporting mechanism. This will also help strengthen the bond with national processes for formulating and justifying policy.

Fourthly, we must also look at new ways in which the Commission can encourage Member States to implement economic reforms.

The war on terrorism: cooperation a bitter necessity

It is in the nature of the Union that it should tackle transnational problems. This applies not only to the removal of obstructions to permanent economic growth, but also to security. Security is the Government's primary task. European citizens are increasingly finding that crime and terrorism do not recognise borders. They expect the European Union to have a firm and effective response to it. In this age of open frontiers feeling safe is more urgent than ever for its citizens.

People do not understand or accept the fact that criminals escape because of a lack of coordination in Europe, or that they can avoid their sentences by taking refuge in another EU country.

In the years ahead we must go all out to strengthen cooperation and block loopholes in the judicial net. A free, open and safe Europe is not possible

EUROPE: FOR A SECURE FUTURE WE MUST GO BACK TO THE SOURCE

without a large measure of agreement on what is permissible in our Community founded on the rule of law and what is not, and on how to deal with people who overstep the mark. It is therefore inevitable that we should align our systems of criminal justice. In the long term the Union's viability is to a significant extent dependent on the question of whether we succeed in this.

I quite understand that this is a sensitive subject. Member States are sometimes closely attached to their national character in the area of justice and the police. Just take the Dutch policy on drugs. We do not have to risk the future of our traditions without good reason. But gaps in the patchwork of European justice which put European citizens at risk must be closed. To begin with, gaps which play into the hands of terrorists and organised crime. Thus you may perhaps regard the policy on coffee shops as a Dutch matter. But together we must deal properly with international drug trafficking.

Let us not forget that drug trafficking, like trafficking in humans and the arms trade, is an important source of funds for terrorism. In order to combat international terrorism effectively it is of crucial importance that we have some idea of who and what crosses the Union's external boundaries. Tighter surveillance of the external borders – especially the new borders on the eastern edge of the Union – is essential. And that must be done shrewdly. After all it must not obstruct or delay the flow of trade between the EU and her trading partners. Speed and quality must go hand in hand.

The United States spends \$15 billion on strengthening border controls and invests heavily in biometric technology and automated systems. Europe compares poorly with this. In this area too we do not react adequately enough to the changing world around us.

Consistency at frontiers: external and internal

In addition to the area of security we must also drastically intensify our cooperation in the fields of asylum and migration. The free movement of EU citizens without internal border controls also means, after all, the free movement of asylum seekers and legal and illegal immigrants.

An example: recent figures show that 7% of people who seek asylum in a Member State have already sought asylum in another EU country. In the case of those who seek asylum in the Netherlands the figure is 13%.

Continuing competition on policy between Member States in the area of asylum, migration and deportation is not an acceptable route. These are now pre-eminently problems where the EU must demonstrate its added value. Important steps have already been identified. Thus in Europe we have agreed minimum standards which asylum procedures must satisfy. But more is needed.

JAN PETER BALKENENDE

It is perhaps a remote prospect, but we must aim for a common asylum procedure with criteria for admission which are subscribed to and adopted by all EU countries and a common policy on deportation.

In the longer term this means, among other things, the establishment of common reception facilities for refugees and a European register of asylum seekers. It also means European funding for the asylum policy and European agreements on the placement of the refugees admitted. Only with strong border controls in combination with a European approach to asylum and migration will we be able to roll back illegality in Europe.

Europe as a Community based on values

The Union is more than an economic project. Sixty years after D-Day it is still a project for respect, freedom and solidarity which is expanding and broadening its scope.

It is my firm opinion that a consideration of the content of the values which connect us as Europeans is crucial to the energy and vigour of the European Union. It arises from the historical dimension of European cooperation, and it is essential as we look towards the future.

The European Union is a Community based on values. Our Community is the product of a number of great religious and philosophical traditions. The ideas of the classical world, Christianity, Judaism, Humanism and the Enlightenment, have made us what we are. And a dialogue with Islamic and Arab culture has contributed to our identity.

It was the Second World War which convinced us of the importance of a system of shared values. In a divided and impoverished Europe people longed for peace, freedom, stability and a new chance for prosperity.

The founders of European integration – Monnet, Schuman, Adenauer, De Gasperi and others – realized that those ideals would come within reach only by combining and interweaving the practical interests of Europe's nations. In his memoirs Jean Monnet called this 'La solidarité de fait'. In doing so he wanted to say that it is not friendly sentiments that create a community. Monnet turned this around: it is cooperation in a community which creates friendship. Thus it was that the founders built the fragile house of peace on foundations of coal and steel.

The Constitution specifies the values on which the Union is based: respect for human dignity, liberty, democracy, equality, the rule of law and respect for human rights. It says: 'these values are common to the Member States in a society of pluralism, tolerance, justice, solidarity and non-discrimination.' The shared values are the cement between the stones of a European edifice which

EUROPE: FOR A SECURE FUTURE WE MUST GO BACK TO THE SOURCE

is constantly growing. They are the bonding agent between governments which must realize that it is unwise merely to cling to their own interests if the common interest demands a common strategy. After all, we are partners in Europe not to 'compete' but to 'complete'. The greater the awareness of shared values, the greater the political resolve of the European Union.

Europe cannot be built without people who feel European

With the new Constitution Europe will unarguably become more transparent, more efficient and more democratic. But will that be enough? How will we ensure that Europe's citizens will always see the added value, and not give up?

It is crucial that we continually make it clear what we already had in mind for Europe. Namely, to do vital things for its citizens which are impossible for individual countries to achieve in isolation. I have mentioned the structure of economic growth and security. National politicians must have the courage to be clear about this. They must make it clear to the electorate that it is here alone that a European approach will work. And that the transfer of certain powers and responsibilities to the Union is part of it.

'But Europe is so complicated', I often hear. 'It's over the heads of its citizens.' I wonder about this. There are many things which are actually simpler thanks to Europe. No-one wants to return to the days when we still had 25 sets of national customs regulations.

We also achieve quite tangible things together. Currently 1.8% of the European Union's gross domestic product can be attributed to the effects of the internal market. This has gone hand in hand with the creation of 2.5 million jobs.

There are many more examples of results which we have to thank Europe for and which are great to explain to people.

In common only what has to be in common

For an effective approach to the transnational problems which touch citizens directly we must opt for a strong and federal Europe, with a powerful communal engine. But it is inappropriate for the Union to overplay its hand, by interfering in matters which countries, regions, districts or citizens can resolve quite well for *themselves*. If this arouses irritation and mistrust in people then well and good. If Europe is too intrusive people will show signs of rejection and support for European cooperation will crumble. European cooperation – which is so crucial. We must abandon coercive policy-making in Brussels in areas where Brussels' interference is inappropriate.

JAN PETER BALKENENDE

Europe is built on the Christian-Democratic principle that what can be regulated closely by the people themselves need not be specified in greater detail (subsidiarity). But until now the protocol on subsidiarity in the Treaty of Amsterdam has remained too much of a dead letter. The new Constitution contains a concrete basis for national Parliaments to enforce subsidiarity if necessary. It is important that we keep a firm hand on this. There is much to be said for a debate on admissibility in the Council before the Council gets down to the content of a bill from the Commission. And central to a debate of this kind must be whether the bill is in accordance with the principle of subsidiarity.

The question which this volume poses is: what will Europe look like in 20 years or so? Will the Union be a strong Hercules by then, or a giant with feet of clay? Will it be possible with so many countries and so many national and regional interests to keep moving together? Or will the Union fall apart?

Here we quickly come to the cycling terms 'fast track', 'pack' and 'stragglers'. I do not believe in that sort of Europe. The moment the Union's Member States start jockeying for position the European project is doomed.

But there are many misconceptions in circulation about the words 'fast track'. The rejection of a fast track does not in itself mean that together groups of countries cannot provide an impetus for renewal. I do not call that a fast track, but a vanguard which explores new terrain for others. As long as such groups do not form exclusive societies they can be a driving force in Europe. Thus anyone who wants to take part should be able to do so.

In the decades ahead cooperation of this kind – which the Constitution also permits – will play an increasingly important role. From the point of view of dynamic in particular this is to be welcomed. For it cannot be ruled out that speed and flexibility will otherwise be lost with 25, 28 or more countries. European integration is already familiar with good examples of intensified cooperation. Take the eurozone and the Schengen area. We shall see new groups forming around countries with specific expertise or comparative advantages. Cooperation can be considered in all kinds of areas, such as cooperation on development, taxation, the environment and security.

For that matter I expect a great many initiatives for renewal from the new Member States. If we consider the experience of the countries of Central and Eastern Europe of reforms in their economic structure you can draw hope there for the other Member States. There is much economic 'pulling power' in the new Member States.

EUROPE: FOR A SECURE FUTURE WE MUST GO BACK TO THE SOURCE

Conclusion

Europe must get back to basics and operate more effectively on that basis. Why did we initiate European integration? To guarantee peace, freedom and security and achieve prosperity for today's and future generations. These are things which no country can achieve on its own.

For that reason we must continue to pursue European cooperation in these areas with vigour.

For that reason we must maintain and watch over the Union's institutional balance. If the great nations yield to the temptation to take control, Europe will fall apart.

For that reason we must look to the future and be serious about our long-term objectives. Unnecessary interference combined with a lack of energy in areas where a common approach is badly needed will not only undermine the confidence of Europe's citizens, but jeopardise their very future.

Anyone who wants to give Europe a future must return to its original aims and ideas.

March 2005

José Manuel BARROSO

President of the European Commission



Our vision of Europe

There is little doubt that the achievements of the European Union in the last half-century have been extraordinary. Perhaps even its most visionary founding fathers, especially those who could witness the resistances the process faced after its launch, would be surprised at today's Europe. The flexibility of the method and the approach by sector, initially welcomed as a second-best strategy, turned out to be the keys to success. If we look at the historical record of what we have achieved, what impresses most is the sheer scale of what has happened, in so relatively little time. The overcoming of the East-West separation and the single currency are just some of the most recent examples of this much more comprehensive project of which we are all proud. Today's Europe lives in peace, enjoys prosperity, displays cultural variety and distributes aids and will soon have (hopefully) its first Constitution. The Constitution represents another major step ahead. It will increase democracy, through a stronger role for the national and European Parliaments; it will allow more transparency, better participation of the citizens, wider dialogue with civil society; and it will strengthen the coherence and the efficiency of our international action.

However extraordinary it may be, this still remains just a starting point. It would be not only naive but also dangerous for the whole project to come to the conclusion that this trend will automatically continue over time and will bring about the results we expect. Historical and present experiences teach us how temporary and vulnerable human projects are: the European project does not escape this rule. Far from believing that with this enlargement and perhaps a new Constitution we have reached our goal or solved our pending problems, the Commission is committed to a longer-term and deeper-rooted objective: gaining Europeans' support. Decreasing turnout at European elections, negative opinion polls, the rise and strengthening of anti-European political formations as well as simple indifference warn us that today's greatest challenge operates within our borders and concerns the authentic stakeholders of the Union: its citizens. Their

JOSÉ MANUEL BARROSO

disaffection does not come from a vacuum, but rather from mounting daily difficulties, a sense of insecurity and lack of perspectives. Brussels is still far away, its benefits mostly unperceived and its action seen as intrusive, if not hostile. Many of them think that today's Europe is not going in the right direction.

How can we reverse this trend?

- The *strategy* we endorse is to dissipate people's fears;
- The *priority objective* we target is long-term prosperity;
- The *basis* for this re-launch is our under-exploited potential.

In fewer words: we like this Europe, we now have to make it deliver.

The perspective of what I called a European Renewal is crucial for our future and requires a comprehensive approach, appropriate for the complex challenges of a fast-changing world. This begins with a convinced commitment to help our economies achieve greater efficiency and encourage job creation. More than ever, we are currently confronted with the ambition to restore dynamic growth in a context of less favourable economic conditions. Globalisation is projecting Europe into an increasingly competitive world economy, whilst the aging population will soon lead us to a future where there will be two working people per each one retired. These variables alone question the very core of our economic model and threaten the sustainability of our welfare programmes. It is precisely these challenges that the Union has to take on if it is to (re)gain the confidence and trust of its citizens.

To address the most urgent issue of our time, this Commission has first of all called for a far-reaching Partnership for Europe, bringing together EU institutions, Member States and Social Partners, for a common endorsement of an ambitious strategy. This is particularly true for the European Parliament and its political groups: the Commission undertook to provide the Parliament, on a monthly basis, with a provisional plan of legislative proposals under preparation and launch a specific dialogue on the optimal operation of the legislative programme. Moreover, and more importantly, the Commission has taken the initiative to indicate, beyond a method, a set of priorities to pursue and a clear strategy to succeed: this is our vision of what the Union should become by 2010. Our combined approach aims to foster higher growth and create new jobs, while preserving the social foundations of the European economic model. It therefore builds on the interconnected and mutually reinforcing objectives of prosperity, solidarity and security.

Prosperity. As early as 2000, the Lisbon strategy addressed with many hopes and ambition the challenge of prosperity, promising to turn the EU into the most competitive economy by the following decade. The outcome of that initiative should not be underestimated: reforms have been initiated in most Member States, some markets have been further liberalised, whilst the enlargement contributed new opportunities to investors. These efforts, however, have not been decisive. A new recipe for growth should be based on a sound macro-

OUR VISION OF EUROPE

economic environment, a stable currency, enhanced entrepreneurship and better regulation.

To this end, the Lisbon strategy needs a fresh restart and substantial remedies to reduce its overloaded agenda and ensure proper co-ordination. First, objectives should be subject to a rigorous refocusing of priorities, giving way to the restoration of growth and the creation of jobs. Second, Member States should become the main supporters of the strategy, standing behind the necessary reforms and putting an effort into communicating these challenges to a wide public. Lisbon should become an integral part of political debate at the national level. Finally, simpler and clearer reporting should also be foreseen with a view to making the process more intelligible.

With these broader objectives in mind, concerns regarding the alleged inflexibility of the Stability and Growth Pact cannot be addressed in isolation but should be embedded in a consistent strategy to revamp the Lisbon strategy. Calls for its reform are numerous and robust, but only their consistency with our long-term targets will guarantee a lasting commitment to major economic reforms. Research and innovation should be encouraged in key sectors. Today's economy requires expensive and long-term investments that Europe will have to make. Our focus on jobs and growth would be pure rhetoric if not matched by concrete efforts to invest in those drivers that can deliver them: research and development are at the top of the list. Member States should raise their research spending figures, still too weak for the type of fair and inclusive society we would like to build up.

Also service markets can make a valuable contribution to boosting employment and growth: they should become a more central part of our internal market.

Consistent with its own history, today's Europe cannot retreat from its vocation to reduce disparity between the rich and the poor parts of the territory, and should therefore renew its commitment to achieving *solidarity*. New cohesion policies should be better suited to fostering growth, while helping disadvantaged areas and groups. Part of this effort should also be dedicated to endorsing a new social agenda, complementing economic with social solidarity, also among generations. Similarly, protecting the environment, managing our rich resources well and exploring the prospects of alternative energies are also part of building solidarity with the new generations. Growth and solidarity are not mutually exclusive: we try to re-launch the former to gain resources to finance the latter. This is the core of our economic model and we need to work to make it sustainable. But solidarity should not be limited within our borders: a new migration policy should explore ways to improve the living conditions of immigrants, while outlining their respective rights and obligations.

Finally, the unprecedented events of the last five years have contributed to bringing into the Union's agenda a more compelling need to guarantee the *security* of its citizens. The removal of national borders within an enlarged EU has pro-

JOSÉ MANUEL BARROSO

pelled new opportunities of movement and exchange. This has in turn required imperative measures to prevent and fight against organised crime, substantially altering or even replacing pre-existing notions of security and threat. Only a fully integrated area of freedom, justice and security can respond to the challenges of these new concerns. In broader terms, however, other security threats will also have to be addressed at the European level – be they natural catastrophes, health crises or energy threats – given the Union's better position to co-ordinate efforts and respond rapidly.

It also becomes essential, when talking of security, that the Union does not restrict its attention inwards but actively and consistently projects its efforts toward the rest of the world. If borders within the EU no longer exist, external boundaries progressively lose most of their purposes: the internationalisation of economies and the rise of cyber-societies are random examples of this much broader phenomenon. Under these circumstances, traditional tools of territorial control are destined to fail and ideas of self-sufficient islands of peace are pipe dreams. International engagement, in a multilateral strategy and loyal to the United Nations' mission, is the way for Europe to have its say. I was pleased to acknowledge a more positive mood in our relationships with the US since the beginning of this year: more focus on our common values and tighter co-ordination in pursuing our respective foreign policy objectives are necessary to make the best of our intimate partnership and shared vision. There is no alternative to this path: we both face common threats, we both need each other's support, we both realise the benefits of our alliance. The visit of US President Bush symbolises a turning point in the transatlantic relationship.

Our global stature and stance also impose on us the challenge to broaden our horizons and take initiatives to decide, spell out and implement our vision in other areas of the planet. We dispose of multilateral and bilateral channels to promote sustainable development and we should base our external action on the belief that only proactive engagement can guarantee security and stability. Africa is a key example: how can we reverse its decline? How can we maximise our co-ordinated efforts to boost its development? And what is our long-term commitment toward this continent? The same concerns and objectives are valid for a successful neighbourhood policy: now that the Union's greatest enlargement is a reality, Europe's external action should aim at intensifying and consolidating relationships with our new neighbours.

Furthermore, the recent tsunami catastrophe illustrated quite significantly the advantages of a joint European reaction. Rather than restricting this approach to exceptional circumstances and major crises we will work to make this strategy the default procedure to tackle all international challenges, be they unprecedented events or usual business. Beyond security, being a global actor is equally fundamental for trade: Europe should realise that its competitive potential allows a beneficial exploitation of the opportunities that globalisation is creating: we need

OUR VISION OF EUROPE

to be aware of our assets and turn international openness to our own advantage. Europe's strategic relations should be reinforced with traditional trading partners and developed towards new emerging partners, especially in the Asian market.

However, building a stronger and more prosperous Europe goes beyond the necessity to intervene in various fields with more decision and co-ordination. It also requires a better method to do things.

Improvements in enhancing transparency, although significant in the last decade, have fallen short of delivering a fully intelligible policy process. Beyond the imperative of simplification, to which the new Constitution will contribute substantially, too many procedures and bodies still refract accountability and public scrutiny. Lacking such preconditions, the interest of European citizens to understand, participate and ultimately decide can hardly materialise. A better-shaped communication strategy should be tailored to bring Europe into national arenas, with the aim of prompting an authentic, perhaps critical debate on the Union's action. The role of European political parties is certainly a leading one in this respect and we welcome the efforts displayed during the last European elections to communicate their visions of Europe to the electorate. This engagement should be consistently pursued and consolidated throughout the whole legislature.

Europe should also recognise its limits. In line with the principle of subsidiarity, European action should be taken if the effects it carries bring added value to an alternative measure of a national or sub-national authority. If this prerequisite is met, our intervention is legitimate and welcomed; if it is not, our action is inappropriate and should be systematically disregarded.

The new Constitution, if and when it is ratified, will make it even clearer that the legitimacy of the Union is based on its States and its Peoples. While respecting national sovereignties, the Union multiplies the capacities of individual Member States and expands the rights and obligations of its citizens.

The 21st century European Union is a reality which perhaps no one could have anticipated 50 years ago: 25, soon 27 or 28 countries truly united and working together! The enlarged Union will require a major effort of co-ordination and political clout to carry out a true European policy successfully. But this should not allow us to forget under any circumstances that the Union's Member States are sovereign nations.

We have therefore to combine vision, balance and realism. The fact that most things cannot and should not be done at European level does not reduce the Union's strength. On the contrary. Let us take the example of the central project which this Commission is embracing: to re-launch and to make successful the Lisbon Strategy. Our choice is, to a large extent, a bottom-up approach, simply because most of the necessary action falls within the competence of the Member States. To ignore this, or to try to impose from above choices that may need to be different from country to country, and then to blame those who do not follow the imposed line, can only lead to failure.

JOSÉ MANUEL BARROSO

Bearing these caveats in mind, Europe is fit to lead: we have sound fundamentals to compete in a global economy, we enjoy an authoritative reputation to spend in world politics and we have traced a roadmap to live up to our ambitions. All we need is a shared strategy, a joint commitment to pursue our common objectives and strong determination to avoid delays and hesitations.

March 2005

Jacques BARROT

Vice-President of the European Commission



On the way to 2020: Revitalise Europe

For the citizens of Europe, the year 2005 marks a decisive turning point in many ways. In 2004, the European Union saw an unprecedented enlargement which consigned the divisions of the 20th century to the past. The new institutions arising from the Treaty of Nice, a new 25-member Commission and a new European Parliament demonstrate the reality of this new 25-member Union every day. In addition, the European Constitution represents the fulfilment of a political dream and an unprecedented step forward, and will give a new political face to this enlarged Europe; for the first time, on the same continent, States while retaining their sovereignty will acquire a common Constitution applicable to all of them, common political decision-making mechanisms, and values that they all share. At the height of the campaign for ratification of this fundamental text, our vision of Europe and its future are major issues. One recurrent question is that of Europe's borders; apart from the physical borders, we must rediscover what lies at the heart of the European dream, European identity and our hopes for its future.

Europe's outermost borders

The question of Europe's outermost borders is not only geographical, nor purely a matter of identity. The question of which countries are or are not eligible to join Europe obviously arises. But beyond this, there are also temporal frontiers, connected on the one hand with the time that the EU will need to complete its political project and, on the other hand, with the time that applicant States will need to become satisfactorily integrated.

A definition of Europe's borders is essential for any reflection on European identity. Some people often stress the intangibility of evidence of a European identity which is still to be formed.

JACQUES BARROT

I think, on the contrary, that this identity exists and has been present since the beginning of the European Union. The Declaration on European identity by the Member States of 14 December 1973 expresses it very clearly: 'The diversity of cultures within the framework of a common European civilisation, the attachment to common values and principles, the increasing convergence of attitudes to life, the awareness of having specific interests in common and the determination to take part in the construction of a United Europe, all *give the European Identity its originality and its own dynamism*.' The originality and the uniqueness of the European Union lie above all in this voluntary adhesion to a political ideal and a community of values, beyond national identities. This attachment to Europe is of course based on common historical foundations; the whole European area is imbued with the legacy of Greek and Roman civilisation, Jewish and Arab influences and medieval Christianity. The Renaissance and humanism and the Age of Enlightenment are key points at which the Europeans were aware that they shared the same hopes, debates and references. Galileo, Socrates, Leonardo da Vinci and Erasmus all form part of the Europe-wide collective memory, and their research and work have had repercussions far beyond their national frontiers. It is significant that the EU has wanted to pay tribute to these major European figures in the names of ambitious projects such as the European satellite system Galileo, the development of a community of European students (the Socrates and Erasmus programmes) or European vocational training (Leonardo da Vinci). A belief in the power of reason, and the desire to put human dignity at the centre of politics, are key concepts that all Europeans hold in common and which have made it possible to build democratic institutions and preserve fundamental rights and individual security. The Constitution, which incorporates the European Charter of Fundamental Rights and guarantees the same political and social rights to everyone, and the increase in Eurojust prerogatives, are part of this humanitarian vision at the heart of the European dynamic.

In this context, the question of borders becomes particularly acute. If dynamism and the desire to go beyond existing limits are part of the European spirit, there is a danger that this energy could be dissipated if we fail to set boundaries. In addition to the Constitution's consolidation of EU values, we should be sure what everyone's real motives are. All the previous enlargements show the same thing: membership of the European Union has always signified much more than joining the single market and making up lost economic ground. The adoption of a common Constitution crystallises the dream of a real political Europe which has existed since the beginning of European integration, and this fundamental text has a much more important historic meaning than just opening up the markets. It is much easier to set up a free trade area or customs union than to agree on establishing European coast-

ON THE WAY TO 2020: REVITALISE EUROPE

guards or European police cooperation. Today, even more than in the past, if the European project is to succeed at all, every consideration of a new membership application must take account of the benefits that would result for the EU as a whole, beyond the national interests of its members.

The geographical approach to the EU's borders must incorporate this new factor that affects the very meaning of membership. The EU must act pragmatically in this respect. Enlargement towards the east of Europe was a tribute to reunification and the welcome return to democracy of countries previously oppressed by Communist regimes: East and West can once more face in the same direction. For subsequent enlargements, we must set criteria which enable new Member States to have a real understanding of what it means to join a political union. These criteria must preserve all the EU's juridical, social and economic achievements. We must be sure that everyone shares the vision and meaning that we want Europe to have, to prevent fragmentation and failure. In view of the diversity of everyone's situations and aspirations, it seems to me that we need more and more to be able to give a less hard and fast answer than either full and complete membership or rejection, and transport has a role to play here.

As Vice-President of the European Commission with responsibility for transport, I want to stress how important transport is as an instrument of European cohesion. The Trans-European Transport Networks, for example, providing a link from Lyon to Budapest and Ljubljana, contribute to better integration in the European area and, by reducing distances, also lower the 'mental barriers' between Europeans. Construction of these transport links to neighbouring countries also makes it easier for Europeans to gain access to these markets and for those countries to benefit from the attraction effect of the European economy. Good transport links, trade and an appropriate neighbourhood policy can offer an alternative to those neighbouring countries that would like to benefit from the positive side-effects of European integration without wanting to commit themselves to the political project that membership implies.

Countering an ageing Europe: the search for competitiveness

Beyond the values and the direction that we want Europe to have, we must make Europe an area of innovation and give future generations the means to achieve it.

1. The Lisbon Strategy

The mid-term review of the Lisbon strategy is part of this approach. In March 2000 the Lisbon strategy set a demanding task: to make Europe the most competitive area of the world by 2010. Five years on, the results do not

JACQUES BARROT

match up to this ambitious objective: in 2004, the growth rate of actual GDP was 2.3% in the 25-member EU, while it is 4.4% in the USA. Labour productivity by working hour is still less in Europe than in the USA: index 100 for the 15-member EU and 113.7 for the USA. European expenditure on research and development only just reached 2% of GDP in the 15-member EU in 2003 as against 2.7% in the USA and 3% in Japan.

It was therefore necessary to order priorities better and rationalise the Lisbon strategy. We must now set ourselves a priority objective: more growth and more and better-skilled jobs, to develop sustainable competitiveness incorporating a social dimension. Competitiveness results from many factors, which is why an action plan provides for almost 200 specific actions in 10 policy areas (internal market, opening up markets, regulation, infrastructures, research, industry, employment, vocational training and education). However, the success of this programme which the European economy needs seems to me mainly to rely on three factors.

One of the main levers is to invest in research and development: the EU has thus set itself the objective of increasing the proportion of GDP devoted to this area to 3% of European GDP in 2010. Creating a European Technology Institute, technological platforms and developing EU co-financing to develop environmentally friendly technologies are all means of expanding European research. For this reason the EU has also decided to increase funding under the Sixth Framework Programme for Research and Development, which covers an amount of €17.5 billion for the period 2002 to 2006. The Commission has also requested €10 billion per year for research in the context of the Financial Perspectives 2007-2013.

The services sector, which represents respectively 71% of gross value added and 69.2% of employment in the enlarged EU, is the sector which creates most jobs and is most able to combat unemployment. This is why we must open up the market in services; this would make it possible to increase the movement of services, spread them more widely and create jobs. However, some sectors (transport, audiovisual and health) require a specific approach, and the principle of applying the law of the country of origin must not result in a setback to social progress or unfair competition. The specific nature of public service obligations must be taken into account; preserving a universal high-quality service and maintaining social and territorial cohesion in the enlarged EU are essential objectives for a Europe that serves its citizens. The Lisbon Strategy must be clearly seen as a way of finding a balance between open markets and public service.

The success of the Lisbon Strategy and the achievements that go along with it are not only a matter for the European institutions, but depend on everybody playing a part. One of the reasons why the Lisbon Strategy has

ON THE WAY TO 2020: REVITALISE EUROPE

partly failed is that the national authorities have failed sufficiently to follow up the guidelines set at Community level. They must really make this document their own and monitor the results. It would be particularly useful to compare the performances of the Member States; it is not a matter of forcing abstract objectives onto very different national situations, but of the Member States taking responsibility by asking them to present their successes in some key areas. These could be job creation, R&D expenditure or investment in infrastructure. Ownership by the Member States also includes greater involvement of the national parliaments and local authorities. Beyond that, involvement of civil society as a whole is a key factor. From this point of view, young people are a priority 'target', particularly with regard to their entry into the workforce; 18.2% of young people in the 25-member EU were unemployed at the end of 2004. The instrument proposed by Ján Figel' (a charter rather than a pact) involving all the partners (universities, enterprises, etc) in a major European initiative for young people would help them to enter the job market. Enterprises must not only be the final beneficiaries of the Lisbon strategy but also be fully involved in it. We must get the Lisbon strategy out of officials' offices and analyse it sector by sector with the people on the ground. This implies regular meetings between the European institutions, the Member States and enterprises, to check on how the work is progressing. In the transport sector, this meeting could take the form of a major annual forum on mobility.

2. Transport, a key element of the Lisbon Strategy and European competitiveness

While it is increasingly urgent to give the EU effective transport infrastructure to develop its growth potential, the Trans-European Transport Network over the past 10 years has actually shown only very modest results. In 10 years, only a third of the planned investment has been carried out. That means that at the current rate we would need another 20 years to finish these projects. The worst delays concern essentially cross-border links, which is paradoxical because these are the sections which have the most 'European added value'.

This situation is very damaging for EU competitiveness as a whole, because persisting bottlenecks and missing links on the main trans-European routes represent higher costs in terms of congestion, not counting the associated costs of pollution or accidents. In 2020, road congestion will cost about 1% of Community GDP. According to Commission studies, completing the Trans European Transport Network will make it possible to increase GDP growth by an estimated 0.2 to 0.3 points, which corresponds to potentially creating one million permanent jobs. Completing the network would also make it possible

JACQUES BARROT

to reduce greenhouse gas emissions by about 4%, thus enabling the EU to get closer to its Kyoto objectives.

Ten years ago we abolished barriers to freedom of movement for people and goods. Through our lack of commitment or political will to give our Union essential transport infrastructure, we are not only recreating physical barriers but, worse still, we are undermining the very foundations of growth and competitiveness of the EU that we are trying to build.

Efforts made in other sectors to relaunch the Lisbon process will be meaningless unless those concerned have the courage of their ambitions and give the EU the infrastructures it needs for its development.

Specifically, to put an end to interminable lists of projects which remain uncompleted, I see five conditions that must be fulfilled to achieve our ambitions for transport infrastructure. First of all is to stick to the TEN budget of €20.3 billion over seven years proposed by the Commission and supported by the European Parliament. This budget will finance ambitious projects such as Sesame or ERTMS, which will make it possible to combat air and rail congestion and limit the loss of competitiveness that they engender. Similarly, Galileo will bear witness to the excellence of European research by developing an independent European satellite navigation system. This satellite positioning system will have various applications which will benefit everybody: Galileo will give a significant boost to the development of intelligent road transport and, through better positioning, will make better traffic management possible, including in the air and on the railways. If the budget requested by the Commission is reduced, it will be impossible to do this. The second condition is rapidly to reach agreement on revising the 'Eurovignette' directive. For example, allowing additional tolls of at least 25% on alpine motorways would produce extra revenue to complete the funding for projects such as the Mont Cenis and Brenner tunnels. The third condition is to coordinate the progress of priority projects. Consequently, I shall shortly propose to the Commission to appoint six 'European coordinators' with recognised authority and competence for six priority cross-border projects. The fourth condition is to develop innovative financing instruments and 'public-private partnership' financial arrangements. The Commission (I and my colleague Joaquín Almunia have done a lot of work on this) will during March propose the creation of a financial guarantee instrument, funded from appropriations from the European budget 2007-2013 devoted to European transport networks and intended to cover the risks of the first years of use of infrastructures. Finally transport, like all Community policies, requires Member States to keep to their financial commitments. The European budget is not the only source of funding for the Trans-European Transport Network and must not in any case replace the financial contributions from the Member States involved, which is

ON THE WAY TO 2020: REVITALISE EUROPE

an essential precondition for releasing European appropriations. I am a strict manager. Only ripe projects for which the Member States demonstrate a firm commitment to completing the infrastructure before 2020 can receive a budget allocation from the TEN budget.

3. Reform of the Stability and Growth Pact

Renewing the Lisbon strategy and developing transport implies defining a framework for budgetary discipline which is more favourable for growth, without questioning the Union's monetary stability. Thus, in the debate on reforming the Stability and Growth Pact, it is not just a matter of keeping to arithmetical criteria, but of finding the way to best use the fruits of growth to prepare the future, so that we have sufficient margin for manoeuvre in periods of slow growth and can leave a legacy of sound public finances to future generations.

The state of European public finances at present is nowhere near the objectives set when the single currency was adopted in the Treaty of Maastricht; in 2003 public debt represented 63.3% of GDP in the 25-member EU and 64.3% of GDP in the 15-member EU. The level in the euro zone was even more worrying, being up to 70.7%, even though these countries have the most to gain from respecting the Stability and Growth Pact, which guarantees stability of their currency. These levels are getting steadily worse, taking account of an average deficit of -2.7% in the euro zone and -2.8% in the 25-member EU.

Revision of the arrangements for applying the Pact must therefore allow more flexibility in crisis periods, while encouraging the Member States to reduce their debts and put their public finances on a healthy footing in growth periods. This is the only way that we can leave to future generations, by 2010, the financial means to take control of their destiny and ensure long-term stability of the euro.

What is Europe's place in the world?

Being competitive internally will bring more growth and more employment to the European citizens, but will also help Europe to consolidate its position internationally.

Successful European trade is the first illustration of Europe's benefits. As the world's major trading power with approximately 20% of world trade, the prime world exporter of services (with € 324 billion in 2002, or 25.8% of the world total), the EU has proved the benefits of its system of grouping together to conduct a common trade policy and opening markets. The approach adopted by the EU and the USA in the World Trade Organisation (WTO), bilateral agreements between the EU and other countries (USA, Canada, etc) or regions (Mediterranean countries, Asia, Gulf States, African, Caribbean and

JACQUES BARROT

Pacific States) has greatly benefited European exports. By 2010, one ambition is to enable Europeans to continue to reap the benefits of trade liberalisation through pursuing multilateral negotiations within the WTO. The success of bilateral agreements on transport is part of this approach; relaunching the 'Open Sky' air agreements with the USA, China and Russia will enable European airlines to develop their activities in these markets and take more advantage of the global spin-off from increased trade.

Although opening up markets generates positive side effects, some sectors, particularly culture or health, require a specific approach taking account of the General Agreement on Trade in Services (GATS) negotiated in the World Trade Organisation. Solidarity must remain a factor in trade policy in future; the Cotonou agreements of 23 June 2000 and the system of generalised preferences symbolise this solidarity with poor countries.

At present, the European Union is already a major player in development. In 2001/2002, average state development aid paid out by the Member States and the Commission was \$19,143m, \$5,213m from the Commission. In 20 countries (including Afghanistan, Côte d'Ivoire, Burundi, Rwanda and East Timor), European aid makes up more than 50% of aid received. With regard to humanitarian aid, ECHO, the European humanitarian aid service, provided more than € 570 million in 2004, for post-conflict assistance, aid for refugees or assistance after natural disasters. These responses must be consolidated, particularly in the light of the dramatic events in south-east Asia, to result in more responsive aid and better coordination between the Member States. This approach must be coordinated with existing international institutions (United Nations, Bretton Woods institutions) within which greater coordination between the Member States must be sought when possible.

The European Union could also involve itself more in settling some conflicts and promoting to the outside world the model of peace that it has succeeded in achieving internally. Operations such as Artemis in the Democratic Republic of Congo, EUFOR (Althea) in Bosnia-Herzegovina, EUPOL Kinshasa, and Concordia in Macedonia are all European contributions to peacekeeping which should be consolidated and extended to other regions of the world. These activities will be greatly facilitated by the European Constitution, which will set up a European Foreign Affairs Ministry and widen the scope for EU military intervention, and will eventually define a common European defence policy, once the European Council has taken the decision.

Finally, by 2010, the EU must seek a more balanced relationship with the United States on foreign policy. The visit to Europe by President George Bush may constitute the first stage of a rapprochement and joint consideration of certain matters. The relaunch of the 'Open Sky' negotiations will be the first specific illustration of this new relationship in the airways.

ON THE WAY TO 2020: REVITALISE EUROPE

Although European identity is linked to the borders that Europe will establish, it depends above all on the face that we Europeans want to give the Europe of tomorrow: that of a competitive and ambitious Europe which values the potential and creativity of young people, and of a Europe which will further consolidate its place in the outside world; that of a continent which, after centuries of fratricidal wars, has been able to achieve peace and develop a political project which is unique in the world.

February 2005

Simon BUSUTTIL

Head of the Maltese Delegation of the EPP-ED Group
in the European Parliament



Shaping Europe's future

Recounting the past is rather easy, since much of it is known. Imagining the future is difficult, for all of it is unknown. Yet visions of the future have always played an important role in politics, not least in the history of European unity. Indeed, the Schuman Declaration was one such vision of the future: its immediate tasks were easy to understand. Its longer term goal of achieving the European federation was a silhouette in the distant future. Yet it helped galvanise action and to influence the course of events.

Unable to speak with precision about the future, we can only approximate to it on the basis of current trends. Yet, imagining the future is not an act of utopian escapism from pressing challenges. It is a useful art of trying to influence the course of future events as much as we can, keeping in mind that surprises and unplanned events will always intervene. It is also a way of confronting present difficulties with alternatives. Ultimately it is a creative act. But despite its many virtues, imagining the future has never gone down well with politicians who have often followed Bismarck's dictum in defining their work as the 'art of the possible'. This of course betrays a sense of conformity with what is the case and a reluctance to change. Hence I wish to thank the promoters of this book for providing me with this opportunity of participating in this imaginative project that seeks to paint the future.

A discussion of "a Vision for Europe in 2020" requires a definition of Europe and its ultimate frontiers. By 2020 the EU would in all probability have already admitted Turkey and the Ukraine and perhaps other states as well. A discussion of the frontiers of Europe is neither easy nor conclusive. Wherever the frontiers of Europe are drawn they will always be arbitrary and unlikely to satisfy everyone. But if we define Europe by reference to geography, culture and in terms of its core values then we can of course begin to shape a better idea of Europe knowing that the 'ideal' frontiers of Europe will always remain fuzzy. What I do

SIMON BUSUTTL

accept is that at some point the EU must stop growing and consolidate itself. Judging from its territorial expanse and diversity it already risks beginning to experience the problems of 'giantism', namely a sense of remoteness from the centre of events by many of its citizens and communications problems in connecting its most distant corners to where the decisions are taken. Hence I would hazard to say that if and when the EU has managed to incorporate Turkey and the Ukraine and perhaps some relatively smaller states which could include countries like Moldova and Belarus to the East, Iceland and Norway to the North, then the EU would have touched the outermost limits of its possibilities. Beyond that it would be risking disintegration. What is important to strengthen the Union's cohesion is not the physical borders as much as the basic values of democracy, human rights and the rule of law and a shared vision of the EU's role in the world which keeps its diverse Member States united by common bonds. Such a Europe could become the fulcrum of a 'Greater Europe', which would include Russia as a partner as well as other countries in the neighbourhood. It will also serve as the focal point of a stronger partnership in the Mediterranean region.

In 15 years time the European landscape would have changed considerably. It is more than likely that the EU would have grown bigger. I assume that by then the 'Knowledge Society' would have taken off in a definite way. The riddle of Europe's competitiveness would have been satisfactorily resolved. This together with a safer environment and matching improvements in health care would provide the conditions for a markedly improved quality of life for the majority of European citizens. Sociologically Europe will also be different: its population would have aged more. Judging by the current pace of technological change it is also probable that the way of life would have also changed dramatically.

However, it would be a mistake to treat Europe's material advancement as a pre-determined linear progression. This is not the case and the danger of regression accompanies us all the time. Policies can and do often fail and if we set overly ambitious goals we risk not attaining them. Hence they must be kept under constant scrutiny.

As Europe expands and as it works to strengthen its internal cohesion there is always the danger that it will turn in on itself and become an introvert. To avoid this danger the EU launched its *Neighbourhood Policy* which though still in its infancy instils more interest in the Union's immediate neighbourhood.

However, in a world characterised by a globalised system it would be rather myopic not to look beyond one's immediate neighbourhood. Indeed, much more ominous hazards for the Union's own stability lie beyond our neighbourhood. And the Union has to respond to them, perhaps with a greater urgency than has been shown so far.

These challenges emanating from beyond Europe's neighbourhood are threatening because technological progress and the communications revolution have cut distances.

SHAPING EUROPE'S FUTURE

Let me outline what I view as the most salient challenges we face.

First of all there are the goals of the Millennium Declaration. The standard complaint is that they are not being met. A start has been made to tackle the problem of global warming but the Kyoto Protocol just begins to scratch the surface of the problem. It would be detrimental if it leads to complacency rather than renewed vigour to reverse global warming. I am sure that in 15 years' time, global warming will still be a problem.

There is then the danger posed by the HIV-Pandemic: the UN wishes to see \$10 billion spent this year and \$15 billion next year to combat this disease. The estimate is that only \$4.7 billion will be spent this year. As Europe prepares for the growing ease in air travel, that will be the hallmark of the next two decades, it must prepare itself even more to overcome the dangers that this brings, such as a possible increased incidence of communicable diseases as was demonstrated by the recent outbreak of Asian Bird Flu.

We cannot ignore the debt problem: the 38 most heavily indebted countries of the world owe their repayments not to other states but to multilateral organisations such as the World Bank and the International Monetary Fund. This year the G-7 promised relief: we must ensure that it arrives. Debt relief is only part of the equation: development resources have to be mobilised to help these countries grow. There is then the challenge of democracy and good governance which are essential towards improving the development prospects. Illiteracy in the developing world needs to be tackled and efforts doubled to close the world's 'digital divide'. An additional challenge is to ensure that governments utilise natural resources, particularly petroleum products in Africa, to the benefit of their citizens and not squander the wealth generated in dubious projects, if not outright corruption. Modern technology places all these challenges within the realm of the possible.

You may wonder why the EU should take on these responsibilities.

Let me underscore the point that all these challenges outstrip the EU's resources to deal with them. The EU must also avoid all semblance of a 'Messianic' role or of trying to do it all alone. Often its own good example such as the peace, prosperity and stability that it has established on the European Continent are more effective than diplomatic representations and demarches. However, retreating from the world into isolationism, if it were possible, is not an option for the EU.

Thankfully, no one is proposing this.

The EU realises that enlargement has given it new capabilities and a new role which go with it. This role must be exercised responsibly. A glance at how the world of international relations may look like in fifteen years' time is enough to drive home what I have in mind.

The EU will be one of perhaps not more than half a dozen actors capable of a global role. The others will be the USA and North America, China, India, Japan and probably a community of Latin American states. With the number of effec-

SIMON BUSUTTL

tive actors so reduced, the co-management of world affairs should in theory prove to be easier. However, new conflicts and dangers are bound to appear. There will be the race for markets and for the ever scarcer material and energy resources to feed rapid economic growth. One only has to look at some recent developments to draw some valid conclusions: the welcome dynamic development of regions outside Europe and North America particularly in Asia, have also led to unwelcome side effects such as the increased petroleum demand and price hikes which have destabilized economies. There has also been a shift in the world's manufacturing to Asia which has affected the economic fortunes of other regions. Indeed, the struggle for scarce economic resources, more than a clash of civilizations, could pave the way to international turbulence, unless of course ways are devised of peacefully resolving such conflicts in multilateral institutions.

Hence, the idea of how to set about developing world governance and the institutions to do this over the next fifteen years is not a farfetched proposition but a most urgent need. At the risk that I would be criticised at fomenting some new imperialism, establishing the institutions of global governance over so many domains adds to nothing short of establishing a 'global state', the prospects of which raise questions and deep emotions. Of course, the use of the word 'state' is only an approximation for want of a better word. In global institution-building, Europe has a lot to offer to the rest of the world. The EU as a multi-state union with dynamic and increasingly effective institutions – characterised as they are by an incessant search for consensus – serve as a fitting model for the creation of similar regional entities taking account of the unique local conditions as well as global institutions. The post-World War world organizations have served the international community reasonably well but they are not sufficiently adequate to meet the needs of tomorrow. The EU institutions which balance intergovernmental co-operation with supranational institutions comprising a Court of Justice and a directly elected Parliament as well as a law common to all its Member States, offers both a unique and a reasonably good model which, with modifications, could help the cause of world governance. Indeed a reform of the United Nations system must seek to go beyond the decision of which countries should have a permanent seat in the Security Council and take a more holistic view of the many agencies and organisations that have been set up in order to link more to one another and in a common purpose.

Thus the task of building a stronger and more unified EU helps Europe prepare itself for a stronger leadership role in global politics while providing the strongest proof that voluntary unions of states based on democratic principles and shared aims and values, and the rule of law, provide the most congenial environment to peace and prosperity. The EU can only play a vital role in world affairs if it recognises the challenges and its responsibilities, if it can strengthen its unity and cohesion and if it can act decisively and in time. Hopefully, the ratification of the Draft European Constitution will provide the necessary framework for

SHAPING EUROPE'S FUTURE

timely decision-making. Hence the short term priority of ensuring its ratification has more than local significance for us. It will determine the manner in which Europe will play a world role. However, it is also important for the Union to be more prepared to take bolder and more creative decisions at world level.

First of all, Europe's main strength seems to be linked to its fundamental choice of not choosing force as its main policy instrument. It has also steered clear of exploiting regional rivalries or of abetting local conflicts to divide and rule. It finds no solace in balance of power politics. It has instead preferred economic aid, access to its market, the provision of expertise and incessant dialogue with all its neighbours. Many who are ever so eager to compare 'likes' with 'dislikes' have been prone to measure the success of the EU by the yardstick of the nation-state. They have been quick to lament its indecisiveness in action, the fact that no one seems to speak for the EU as a whole and the tendency of its Member States to divide and sub-divide on major issues. The adage that the Union is an "economic giant but a political pygmy" seems too true to merit dispute. Hopefully, the European Constitution will address many of these shortcomings. However, it is not in the EU's interest to be a superpower in the traditional meaning of the term nor to seek hegemony but to catalyse global consensus.

The world abounds with examples of the futility of war or of military means in mending wrongs, both real and perceived. It is evident in Iraq, in Chechnya, in the Middle East, the Balkans, in Sri Lanka, in the Congo, in Rwanda, in Haiti and countless other places. At the same time, non-military pressure on *rogue States* is no longer laughed off. Recent examples of states which have 'come in from the cold' to start their difficult rehabilitation in the international community is a good sign that peaceful efforts are effective as well: they just need more time, persistence and patience. Indeed, further evidence from the EU's *Neighbourhood Policy* also testifies to this: the frontiers of democracy have advanced to comprise countries like Georgia and the Ukraine; there is a democratic reawakening in the Arab World. Arab intellectuals and the media are challenging recalcitrant governments which block reforms and stifle change. The elections in Palestine, the eagerness with which voters in Iraq defied terror in order to exercise their right to vote, the protest movement in Lebanon and the recently announced constitutional changes in Egypt are but a symptom of a broader movement boiling under the seemingly hard crusted, unchanging surface of Europe's neighbouring societies.

Europe which has always employed dialogue in its relations with its neighbours must offer more of it. Looking at the 15 years ahead I see Europe offering more ideas: what can be done in these neighbouring countries to encourage change? Europe can also satisfy their technological needs in overcoming problems such as desertification and water shortage. It can help them revolutionise their agriculture sectors and increase food production. It can help these states, as it has done in the past, bench-mark their reforms towards achieving good gov-

SIMON BUSUTIL

ernance. It can increase its efforts in helping them make better laws, discourage bureaucracy and corruption and establish efficient and independent judiciaries. It can help them put together viable communications network which will further link people to people and markets to markets. The EU can also help mobilise capital to its neighbouring region. It has a lot to offer them in achieving sustainable development and efficiency in the use of energy and the conservation of resources.

Success will not be easy and Europe's neighbours need to be encouraged in the project of modernisation by being treated as real partners. Indeed, just as it is important for the EU to insist more on the implementation of political and economic reforms in its neighbourhood, it is even more important that those countries which rise to the challenge are rewarded by being treated more and more as equal partners.

This of course calls for new thinking on the way the EU manages its *Neighbourhood Policy*. This year is an auspicious moment for inaugurating this process, beginning first with the Euro-Mediterranean Partnership, given that we are celebrating its 10th anniversary. The resource-rich countries of the southern Mediterranean littoral separated by the quasi-impenetrable Sahara desert from the rest of Africa value their links with the EU as much as the EU values the importance of its relations with them. We need to intensify the dialogue on common concerns and a common security for all in the region. Without abandoning the persistent challenges such as terrorism or the proliferation of weapons of mass destruction, illegal immigration and other such issues, both sides of the littoral need to begin to think actively in terms of a global partnership as well as new common initiatives.

In short, when all is said though, southern reform is a desirable objective for its own sake because it enhances the welfare of the citizens of all countries, it is also important because it opens the possibility of more concerted efforts in the global arena.

In order to achieve all this there is one vital issue which the EU has recognised and which it is working on: a recognition that its comparative advantage in the global economy has changed. The problem is made more acute by the emergence of China as a world economic power, which is capable of combining lower labour costs with higher levels of technical innovation and know-how. If it wishes to maintain its position in the value chain the EU must try to steer clear from the products on which its older comparative advantage had been based and focus more on products and services with a higher value added. It must in other words strengthen its Research and Development as well as its innovation. This entails improved co-ordination and networking of research institutions as well as more investment in scientific research and innovation. It also means rethinking our educational systems to orient them more towards the natural sciences.

SHAPING EUROPE'S FUTURE

Of course the fruits of this reorientation can only be reaped gradually and in the longer-term. We must also be mindful of the fact that such a strong re-orientation towards science and innovation in our societies raises many issues of an ethical and moral nature. In the past such ethical issues hovered around the issue of evolution, then later on abortion and euthanasia. These moral issues are still important but the shift towards a knowledge-based scientific society will raise even more because science cannot really give an answer to questions of 'being'. For example the advances recorded in the field of genetics have raised salient ethical issues on how far is man ethically within bounds when tempering with the natural human process of reproduction. Where do the frontiers lie?

Hence I expect that as Europe doubles its efforts in the scientific domain, it needs to provide answers or at least increase our knowledge of the ethical issues surrounding innovation and scientific research or else we risk undermining the humanistic values of our societies.

In 15 years time Europe will have changed in shape, in what it produces, in the level of its unity but not in its diversity. It will be living in a changed world in which the forces of globalisation and the interlinkages among countries and peoples would have multiplied enormously.

These lead to new opportunities but also to new challenges.

Europe's role in the world will depend largely on its ability to adapt itself to the new conditions and to recognise where it wishes to position itself. It will also depend on how successfully it manages to secure useful alliances with other actors, particularly its neighbouring countries. At the head of such a coalition it can then play a useful co-ordinating role in managing globalisation. This can be done within the framework of new global institutions which in turn build on the experience of the international organisations currently in place as well as the practical experience acquired over the years by the EU's own experience with trans-national integration and supranationalism.

It is essential, in all this, that the EU does not hurry to take on a super-power image but that it should continue to rely on its age-old approach of dialogue and consensus-building.

Europe should approach the global challenges in the same way.

May 2005

Panayiotis DEMETRIOU

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*Quo vadis Europa?***Globalisation**

We are living in the era of globalisation. Each state and each society, no matter where they are on the globe, is directly or indirectly affected by the consequences of each major event, wherever it occurs. In the twenty-first century States increasingly resemble a system of communicating vessels.

The citizens of all states are becoming progressively more and more global-minded. The problems of the environment and immigration, which are steadily becoming more acute, have now acquired global dimension and significance. Development and progress in this new world are regulated by knowledge, information technology and the trend towards automation. Rationalisation is steadily replacing dogmatism. Ideologies no longer have the same power to divide people and shape their views through prejudice on a variety of political, social and economic matters. Anthropocentrism dominates all manifestations of public life. Man is more and more located at the centre of organised society. The tsunami disaster manifests exactly the globalisation of concern and solidarity for human beings.

In this international environment of the 21st century, the European Union is faced with the historic challenge of determining its regulatory role in world events. The European Union must show the way forward and make its mark on the international scene, focusing on man and human values, which form the very essence of European thinking.

Historic mission of the European Union

If it is to be successful, in carrying out its historic mission, the European Union must lay down stable foundations for itself in these first years of the

PANAYIOTIS DEMETRIOU

new century. European enlargement has been a positive development, but will remain without any historic significance unless accompanied by deepening. The ratification of the European Constitutional Treaty will contribute effectively and essentially to this process. This supreme political act constitutes the key for concreting the future of Europe.

The European Union started as a clear economic association, and, within half a century, developed into a political organisation. This process of development and transformation is continuing today. Its destiny is to be transformed functionally from an alliance based exclusively on relations between States into a Union of States and Citizens. Whether this will be called a federation or anything else is irrelevant. The important thing is that progress is being made towards European integration and that this progress should continue.

The vision of the citizens of Europe is qualitative, based on values. It cannot be geographic. After all, the geographical borders of Europe have, at a certain stage, to be determined. The European Union has been, until now, developing freely without any rigid, predetermined notions. Nevertheless, in the next two-three years the question as to where the borders of the European Union shall be drawn in conjunction with the question as to what sort of European Union we want, have to be answered. The status of the "privileged" special relationship could, perhaps, be an alternative solution to the indefinite enlargement..

Nonetheless, the cultural influence of the European Union already goes well beyond its geographical borders and is intruding into both neighbouring regions and the rest of the world. Human rights, democracy and the rule of law – the equilateral triangle within which the European Union operates – point the way forward and provide the criteria, by which each modern State may be judged.

The political culture of the European Union

Owing to its multicultural and multiethnic character, the European Union is well placed to further develop and consolidate the principles of tolerance, respect for the diversity and cooperation between states, nationalities and citizens. The European Union must step up its role, as catalyst in defusing violent ethnic clashes and class conflicts, so that peaceful coexistence becomes the principle of life at national, social and even a personal level.

Tolerance, convergence and compromise, the characteristic features of functioning of the European Union, must be further strengthened. A complex Union can operate realistically by balancing national, economic and class interests. However, the future of the Union will become more secure if European principles and values are foregrounded by the European Union in the international arena and also by each Member State internally and in intra-European affairs.

QUO VADIS EUROPA?

Our philosophy regarding the future of the European Union and the role it should play on the world scene must not be based on self-interest. We do not wish the Union to become either a political superpower or an economic colossus exclusively interested in serving its own interests. The Union has a universal, historic mission. The European Union does not represent the revival of any previous imperial idea or political or economic model in world history. Our vision for the European Union is not one-sided; it is complex and comprehensive. It embraces the economic, the political, the cultural, the social, the environmental and the technological fields, while always placing man at the centre.

The European Union in the international scene

Relations between the European Union and the United States of America must henceforth be based, lucidly and clearly, on the principles of equality, mutual respect and honest cooperation. The European Union does not seek to work against, but to work with, the USA. The European Union and the USA must complement each other in their foreign policy. The European Union does not seek confrontation with any player on the international stage. It seeks sincere cooperation both with Russia and all the countries of the Far East, Asia and Africa. On the basis of sincere cooperation and mutual understanding between the European Union and all peoples all over the world, the European Union can and should lead the way to facing and preventing terrorism by fighting primarily the causes of terrorism.

Quality of life

Our basic ambition for Europe is to improve the quality of life of European citizens and to create international standards for each society and State. Sustainable development, which is the first priority of the enlarged European Union must not just be a slogan but a central strategic objective, methodically and constantly pursued at Community and national levels. Economic cohesion within the framework of sustainable development must be a key element of European planning. The objective is to secure a steady increase in living standards and prosperity for European citizens and a steady improvement in the quality of life.

Economy

By setting the economy on a proper footing, the European Union will be able to become a dynamic organisation and claim a leading role in the inter-

PANAYIOTIS DEMETRIOU

national competitive environment. The European Union must be freed from obsolete norms and anachronistic rules governing the structure and growth of the economy. It is now generally accepted that research, education and knowledge are the sources of dynamism of a modern economy. Hence the European Union, its Member States and all businessmen and other social partners must therefore turn their attention to these sources. The Union must escape from the asphyxiating economic and commercial pressure of rival economies and become a leading player in technological development and in the development and restructuring of small and medium-sized enterprises.

Education

The notion that there was no causal link between investing in education and productivity belongs in the past. Now we see things completely differently. Fortunately, the European Union now understands that education not only fosters the intellectual, spiritual and aesthetic development of man, but it also contributes directly to the economic development of an organised society. The Member States of the Union, therefore, have to stop reducing expenditure on education – unfortunately seen in a number of States – and instead to increase the percentage of GDP allocated to education. The European Union has to implement a Community policy setting a minimum percentage of GDP for education expenditure. Education is the cornerstone of progress, and the Union must make it its first priority in its policies. Lifelong education must become a reality, not remain just nice words. The European Union must carry out essential qualitative reforms and continually update educational programmes at pan-European level.

Social justice

There can be no talk of social justice in the European Union, when the employment, social protection and health sectors suffer from deficiencies and failings, which constitute an unacceptable affront to human dignity. The social models to be developed in the European Union must ensure a minimum of social protection and citizens' rights and specify minimum benefits and allowances. The related serious social problem of immigration and political asylum must be addressed by the Union in a humane and rational manner. Above all, however, the Union must tackle the roots of the problem which are poverty and unemployment.

In developing social solidarity and cohesion in each Member State of the European Union, European programmes must be devised and implemented to strengthen the social role of Member States with limited economic potential.

QUO VADIS EUROPA?

The Community must work steadily and intensively to overcome the disparity in the per capita income in the new Member States, so as to eradicate the phenomenon of a multi-speed Europe with different classes of European citizens, depending on their nationality. European integration must be tangible: each European citizen must benefit, regardless of his nationality.

Environment

If we really take the view that Europe has a universal mission and responsibility, we cannot ignore the environment. The protection of the environment and of the equilibrium of the ecosystem, in which man – the only rational creature on the planet – lives and works, is another basic priority of the European Union. The European Union must be a world leader in protecting the environment. The damage caused to our planet by environmental pollution, due primarily to industrial development, will, if it continues, make human life on earth impossible.

The European Union must play a leading role in the global campaign to protect the environment.

The European Constitution

The values and objectives of the European Union and its policies on all individual issues are set out in full in the European Constitution. *However, democracy and human rights have pride of place in this historic document.* Europe owes its present greatness – which must be preserved and indeed increased - precisely to the sensitivity developed amongst its States and citizens towards democratic institutions, individual rights and freedoms. No concessions must be made in these areas, under any pretext. Europe's adhesion to the rule of law and individual rights may increase the cost of fighting terrorism and organised crime. However, it must not violate its governing principles for this reason. The European Union must become an even brighter beacon transmitting universal human values and ideals all over the world.

European integration

The integration of the European Union will be completed when each European citizen transcends his national identity and acts also as a citizen of a united Europe. The European Union must draw up programmes, mainly in the field of education, and implement pan-European policies to develop a European consciousness among its citizens.

PANAYIOTIS DEMETRIOU

Our vision for Europe is a global one. We wish to build a strong and reliable European Union, so that it can become a global partner of first rank. The European Union can and must become a regulatory factor of stability, consolidate justice and security and the most effective defender and advocate of freedom and peace in the world.

The European values are the spear and the shield of the Union. It is the very foundation of its existence. It is a life road-map.

January 2005

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Christianity, Europe, the West

In some 1946 meditations, the Catholic Romano Guardini, one of the major figures of twentieth century European culture, asserted, in the light of the disaster wrought by totalitarian ideologies in the Continent, that if Europe were still to exist in the future, if the world were still to need Europe, then Europe should remain that historical entity determined by the person of Christ, or rather should become, with a new earnestness, what it is in its essence. If it were to abandon this core, or what remains of it, it would become rather meaningless¹.

The Christian character of Europe is also recognised by even the most educated secular culture.

Sergio Romano, ambassador to NATO and a teacher at Berkeley, Harvard and Università Bocconi in Milan, recently stated that Europe and Christianity are two indissociable terms with a long shared history; it is impossible to tell the story of one without at the same time chronicling the history of the other. Croce can lay claim to the rational thread of Christianity that both heralded the philosophy of the Enlightenment and in politics gave rise to democracy with its egalitarian, levelling tendencies. By introducing a sense of expectation into Western life, Christianity has given European civilisation, together with the complementary sentiments of decay and progress, the concept of history as an ongoing human creation².

These acknowledgements of the part played by Christianity, among many we could quote, express the need for the construction of Europe to transcend the narrow confines of a geopolitical mapping on the basis of issues of international equilibrium, and incorporate the content of a political vision based on freedom and democracy in accordance with concepts inspired by Christianity.

ARMANDO DIONISI

It was precisely this inspiration that made it possible, in the post-war period, for the first decisive steps to be taken on the long road to European unification. The beginning, though certainly difficult, was nevertheless permeated by the imaginative force of thinkers and politicians who, without any nationalistic element or ideological conditioning, yet fully aware of the historical roots of Europe, built an effective 'Executive Board' that worked well together, managing very quickly to cover ground that, with the European Defence Community, nearly achieved a political result that we are perhaps still some distance from today.

Adenauer, De Gasperi and Schuman, all three of them Christian Democrats, constructed a concrete opportunity to overcome nationalistic barriers for good and put an end to the ideological conflicts that had played such a major part in the history of the first half of the twentieth century.

The consolidation of this opportunity requires the final validation of the basis of the European ideal, which cannot fail to be connected with natural values.

The first of these are human dignity and human rights, which are the basis of authority and which exist by their own right, have always had to be respected by legislators, and were previously given to them as values of a higher order³.

Human dignity, based in accordance with Christian principles on unassailable values that protect true freedom, is now threatened by scientific manipulation spread by powerful new economic and commercial circuits.

In terms of the substance of society, marriage and family, the fundamental unit of the social fabric, follows a tradition that developed in mainland Europe and was welcomed by biblical Christianity; its abandonment could have serious consequences for the image and fate of man.

Finally, the question of religion and its freedom of expression – as a sovereign good and the basis of all general principles of tolerance and freedom – is a cornerstone of European society.

The inclusion of these natural values in the Constitutional Charter was not as comprehensive and true as Europe's Christian community would have liked, especially in its reference to the Judaeo-Christian roots of Europe, which even the Holy Father made a particular point of stressing to the extent of issuing a major apostolic exhortation (*'Ecclesia in Europa'*).

This should not be seen as merely a performance event by a Primate who had no need to make a pronouncement at all; rather, it was intended to face up to the rather dubious tendency of placing multiculturalism above all other values. Cardinal Ratzinger, to whom we owe the identification of the natural values referred to above, states that multiculturalism, which 'is so constantly and passionately encouraged and supported, sometimes

CHRISTIANITY, EUROPE, THE WEST

amounts to an abandonment and disavowal of what is our own; it is a flight from what is our own⁴.

On the risks and dangers of multiculturalism and the attitude Europe needs to take when confronted with other civilisations and with the presence within its own society of increasingly broad religious and cultural realities as a result of vast waves of immigration, Edgar Morin makes a particularly acute observation when he explains that for us, it is about assimilating non-European ways of thinking 'with the European mind', or to put it another way, introducing them as new interlocutors in the European cultural dialogue.

Any meeting with a strong foreign culture or civilisation offers two alternatives: to assimilate or to be assimilated. The ability to assimilate presupposes a cultural vitality that, in turn, assumes certain economic and social conditions are in place. This is where preservation and a return to one's roots are essential to assimilation⁵.

Now, this requirement for integration with respect to the cultures 'invading' Europe should not consist of the elimination of differences that, on the contrary, are very important elements for the renewal of European culture that has historically characterised the European mainland. As the well-known philosopher H. G. Gadamer once said, such entrenched pluralism of cultures, languages and historical destinies should not be effaced. On the contrary, it would be better to develop the heritage of the Regions, the individual groups and their lifestyles within a more equal society. The lack of national identity that threatens modern industrial society forces people to seek a place where they belong.

What are the consequences of this? We need to guard against reducing the coexistence of difference to a false spirit of tolerance, or rather to a false concept of tolerance. There is a widespread misconception that tolerance consists of giving up one's own uniqueness, effacing oneself with respect to others⁶.

This self-effacement with respect to others is caused by a view of history and values in which the need for identity is denied. As Giovanni Reale, a historian of ancient philosophy at the Università Vita Salute S. Raffaele in Milan said, beneath the statement that all cultures are of equal value lurks the removal of value from cultures. Different cultures are all equal; one cannot be worth more than another because none has any value of its own, or rather, all have a non-value because the values have lost any ontological reality⁷.

This eradication of any ontological reality from the value of cultures – or rather the de-Christianisation of modern society that is developing in Europe – is an example of nihilism. This is the evil that is gnawing away at Europe's foundations.

ARMANDO DIONISI

The European identity in this way would be based on the fact of not having ideals, other than a generic cosmopolitanism.

This cultural and political trend, currently sustained chiefly by the left-wing parties on the European continent, distances Europe from an awareness of the realities of the current situation. A view, described by someone as the 'European dream', has spread, in which Europe keeps itself shut away in its continental pocket like a pacifist island in a landscape of conflict where, after 11 September, the assault of Islamic terrorism against the West has re-emerged in all its dramatic force. Europe, or at least part of it, is cultivating the illusion that it can remain outside this challenge. Perhaps we are mistaken in assuming that the theory of the philosopher Fukuyama that we are at the end of history is correct, but this could be the end of European history.

The cultural and political stances that are pushing the idea of multiculturalism most and have helped to reject the definition of the roots of Europe along Christian lines, are calling themselves the 'new Europe', as opposed to the 'old Europe'. This distinction has also widely characterised those who agree with the need for a pro-active attitude including, ultimately, the concept of a just war against terrorism and those who profess pacifism to the point of excess, opposing the intervention in Iraq by the United States to end the dictatorship of Saddam Hussein.

In more political terms, the distinction that tends to emerge is between a Europe with substantial ties to the United States because of its Western identity and a Europe that is developing a role of containment and limitation with respect to America, or to put it more succinctly, Europe as a counterbalance to the uni-polar world led by the United States.

The choices Europe will have to make in the next few years will be ideological and political in nature. Somehow the decision will have to be made as to whether Europe will remain part of the West, whether in the sense of keeping its Christian identity, or of wanting to tackle the terrorist challenge and defend democracy and its fulfilment, or of maintaining an alliance and a joint decision-making role with the United States.

If the European Union does not take this opportunity, the current conflict in the world may bring the European project to an end anyway, and may increasingly lead to the emergence of independent decision-making by its individual States, as we have seen in recent years.

Yet one of the most concerned American observers of political relations between America and Europe, Robert Kagan, concludes his most famous work *Of Paradise and Power* thus: 'But, after all, it is more than a cliché that the United States and Europe share a set of common Western beliefs. Their aspirations for humanity are much the same, even if their vast disparity of power has now put them in very different places.'

CHRISTIANITY, EUROPE, THE WEST

‘Perhaps it is not too naïvely optimistic to believe that a little common understanding could still go a long way⁸’.

February 2005

¹ Romano GUARDINI, *Europa, compito e destino*, p. 61, Brescia, 2004.

² Sergio ROMANO, *Europa, storia di un' idea*, p. 63, Milan, 2004.

³ G. HIRISCH in *Frankfurter Allgemeine Zeitung*, 12 October 2000.

⁴ J. RATZINGER, *Europa*, p. 28, Milan, 2004.

⁵ E. MORIN, *Penser l'Europe*, Paris, 1987.

⁶ H.G. GADAMER, *L'héritage de l'Europe*, p. 43-44, Paris, 1996.

⁷ G. REALE, *Radici culturali e spirituali dell'Europa*, p. 155, Milan, 2003.

⁸ R. KAGAN, *Of Paradise and Power*, p. 117, New York, 2004.

Valdis DOMBROVSKIS

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Latvia and Europe for future generations.
What will they be like?

The European Union in the year 2020. Latvia will already have been in the European Union for more than fifteen years. That is the same as the amount of time between the restoration of Latvia's independence in 1990 and today. What will Latvia be like after this next step in developing as a democratic state and a prosperous society? What will Europe be like in the year 2020? Given that in future years the development of the European Union and Latvia will always be closely linked, I have sought to answer these two questions together.

In the modern dynamic world it is difficult and frequently even impossible to forecast progress in the areas of science and technology even a few years in advance. Similarly developments in culture and the intellectual life of society sometimes come as completely unexpected surprises, just as it is impossible to anticipate natural and man-made disasters.

Nevertheless, even today, developmental trends are already appearing both globally and at a European level, which will continue as the challenges become ever more distinct, and in future decades the European Union will have to respond to them, like it or not.

However prompt this response, and whatever it is, it will define the European Union's ability to produce joint action plans and to mobilise Member States to achieve them.

VALDIS DOMBROVSKIS

1. The European Union's potential for further expansion and the challenges

Although the exact number of Member States and EU borders in 2020 is obviously not yet known, it can be said with complete certainty that the European Union in 2020 will not be the same as it is now.

In addition to Bulgaria and Romania, who will be the first to cross the EU's threshold in 2007, Croatia is also close, with the other Balkan countries somewhat further off. Not much further again is Turkey, which has already been waiting for a long time. Ukraine and Moldova are also looking hopefully in the direction of the EU. If, for example, Norway and Switzerland expressed a wish to join, their admission would not be a question of many years.

Fifteen years, remembering Latvia's progress towards the European Union, was long enough for a former Soviet Republic to become an EU Member State. In theory, none of the aforementioned countries has further to go, because all of them are already market economies to a greater or lesser extent and countries based on the principles of political democracy.

The continued expansion of the European Union is one of the major challenges to which the European Union will have to respond.

On the one hand, the favourable geopolitical situation in Europe with almost all the countries in Europe wishing to join the European Union offers historic opportunity to expand the borders of the European Union. On the other hand, there is the need to maintain the European Union as a Union of nations, based on common principles and effective government.

The process of further expansion will be in proportion to the course of proportionally integrated enlargement, to consolidate the effectiveness of EU institutions. Is the further expansion of the European Union to Latvia's advantage and if so to what extent?

Politically speaking, as a new Member State, we at present well remember, understand and sympathise with the desire of new candidate countries to join the European Union. However, considering the potential economic gains and losses of any further expansion of the European Union, our position will, to a large extent, depend on the speed at which Latvia achieves a level of economic development in which we shall no longer be competing with these prospective Member States in the market for cheap labour, goods and services.

LATVIA AND EUROPE FOR FUTURE GENERATIONS. WHAT WILL THEY BE LIKE?

The possibility of newcomers to the European Union is a good stimulus, which will prevent Latvia from dozing off, and stimulate it to develop more quickly and where possible, integrate more fully into the European Union. Although on the basis of the many economic indicator listings – according to gross domestic product, salaries – we are near the bottom of the list of EU Member States, closely followed by the prospective new Member States, our chief advantage is that we now have the Member State status.

Therefore Latvia's response to the challenge of EU expansion might be political sympathy towards prospective new Member States, whilst at the same time maintaining the existing dynamism of Latvia's economic development by making use of a Member State's opportunities for fuller integration into the European Union.

2. The worsening demographic situation and its impact on the economy and society

An additional significant challenge for both Europe and Latvia is the worsening demographic situation. In this area the future can already be discerned in the existing age structure and in the trends that are developing.

European society is ageing, with the size of the able-bodied population increasing and the number of children and young people decreasing. The potential impact of this demographic trend on the European economy may be very negative. The size of Latvia's population has fallen constantly since the beginning of the last decade.

A fall in the proportion of the able-bodied population will also reduce savings, and reduce resources for investment, which may in turn reduce the rate of growth of the gross domestic product. According to experts at the International Monetary Fund, as a result of the deterioration in the demographic situation Europe may lose up to 0.4% of gross domestic product each year over the next few decades. Remembering how the significant disputes about the European budget involved tenths of a percent of the gross product, these are considerable amounts – no less than 40 billion euros per year.

As a result of the ageing society there will also be a reduction in the population base for income tax, whilst at the same time expenditure on social

VALDIS DOMBROVSKIS

services and medical care will increase significantly, exacerbating the problem of the budget deficit, which has already been a topical subject in the European Union in recent years, with regard to the Stability and Growth Pact.

The European Union is now already looking at possible solutions to avert the negative consequences of the demographic situation by implementing measures in the Lisbon Strategy and other programme documents, such as increasing the pensionable age, life-long learning, and measures to motivate women to enter the labour market, as well as direct measures to improve the demographic situation and encourage the birth rate. In the area of the economy an increase in labour productivity could reduce the impact of demography more rapidly.

At the same time, without waiting for results from this policy, Europe's labour market is considering measures, which are not necessarily in the long-term interests of development. For example, importing labour to cover short-term deficits in the labour market exacerbates many other problems.

Although for the time being the 'old' Member States of the European Union can largely solve labour problems by using workers 'imported' from new Member States, this situation will change in future decades.

A decrease in the difference in salary levels will reduce the motivation for the Eastern European workforce to work in the West, at least in those categories of work in which they are currently most often employed. The workforce deficit will also rise in existing workforce donor countries, including Latvia, and this will exacerbate the situation in the labour market and immigration issues in these countries. A high level of average pay for work and of social security in the European Union will also maintain the attraction of its labour market in all of the world's regions in future decades.

Therefore, it is possible to predict that demographic and labour market trends in the next few decades will still favour the import of labour, making more pressing the problems of the coexistence of different nationalities and religions in the European Union, which will be the next major challenge.

3. Europe's identity, common values, different nationalities and religious coexistence

Already mutual relations between the different nations and nationalities in Europe are not always smooth or peaceful. If these problems continue to intensify, with an increase in national and religious conflicts, it may overshadow many other issues.

This problem cannot be solved merely by strictly observing the rights and freedom of the individual, just as they cannot be solved by restricting them. Nor will this be reduced by stricter rules on immigration. A model of a strong and attractive European identity is required, which is not based solely on a single ideology of prosperity, a form of 'European realisation of the American dream', but on a common European sense of values.

The more attractive and 'more modern' the European identity, the more the strength and significance of other identities will decrease in European life, and integration will proceed more smoothly. This is not merely the work of the bureaucratic institutions of the European Union, but rather a question of broad cultural and intellectual incentives.

Nor is European identity an abstract 'average identity of all EU Member States', of course, but an interaction and synthesis of cultures, historical experiences and religions.

4. Economic development, taxes and energy

The basis for European integration, from the very beginning of the European Community has been and still is closer economic integration. This trend will continue, as the institutional basis for the single market improves, gradually eliminating the internal barriers to entrepreneurial activity within the European Union, with the European Union's common resources supporting less developed regions.

However, if we examine the rate of economic development – although in 2004 the European Union increased this significantly, achieving 2.6% growth – last year the world developed twice as quickly, achieving 5% growth. The characteristic feature of previous years is that the driving force of global development is not just the USA or East Asia, as was previously the

VALDIS DOMBROVSKIS

case, but countries in many of the world's regions – South America, Russia, the other CIS countries and even Africa.

For that reason the area of global competition for Europe, which after expansion is consolidating its position as one of the world's major economic centres, will encounter new challenges, also, possibly with the problems of co-ordinating policy on a global scale, which was simpler in the context of the model of three economic centres. However, the European Union, at least over the next few decades, will not be able to and perhaps does not need to compete with developing countries in the area of growth in gross domestic product.

In the European Union as a whole, to maintain the economic development and level of prosperity it has achieved, it is essential to continue balanced, harmonised economic development, whilst maintaining demands for high quality, the level of social prosperity and environmental standards.

The advantage of the European Union is a high quality of life, which is secured with the help of a system of institutions and, if necessary, at the expense of short term economic effectiveness.

The dynamism of development in the European Union will be attributed to the new and future Member States. Slow and evolutionary development is not sufficient in Latvia, whose gross domestic product per head of population is currently only 42% of the average figure for the European Union – our rate of growth is important.

By making use of the potential of the European Union's common market and with the help of EU funds, it is possible for Latvia to reach average EU levels. However, in order for us to achieve this, it will require many years of serious hard work. It should be noted that even by the most optimistic forecasts, Latvia will reach average EU levels no earlier than in 15 years' time.

Speaking of areas which will be topical items on the European Union's economic agenda for the next fifteen years, there are two I should like to emphasise – taxes and energy.

Taxation. At the current stage, when it is essential for Latvia to continue its rapid economic growth and maintain a dynamic investment-friendly economic environment, our country cannot advocate the harmonisation of direct taxes in the European Union.

With uniform high taxes we shall not stop the flow of investment from old Member States to new Member States, but, with a decline in the climate for investment in new Member States, we will succeed in letting investments flow outside of the European Union – to the USA, Asia, and other European coun-

LATVIA AND EUROPE FOR FUTURE GENERATIONS. WHAT WILL THEY BE LIKE?

tries, thereby undermining the combined competitive strength of the EU. On this occasion everyone will lose – both the new Member States, where rates of economic growth will decelerate, and the old, which will be obliged to divert greater funds for the purposes of economic and social cohesion within the European Union.

A system of direct taxes in the new Member States, which is favourable for business development and investments, is a common gain for the European Union, because it facilitates more rapid cohesion of levels of economic development and attracts investments not only from EU Member States, but also from the global market.

However, it can be agreed that in the long-term the European Union Member States should think about consumption - including energy resources, higher taxation of other natural resources – and with such policies, encouraging growth in the proportion of renewable energy resources in the common energy balance, and facilitating lasting and environmentally-friendly economic development.

Since the 1970s, *energy* is and remains one of the most significant areas, especially with the lack of energy resources in the European Union. Although Europe can now survive increases in the price of oil with less anxiety, the problem of the security of the energy supply and the competition for import of energy resources is, however, still topical, especially in the new EU Member States.

During this decade, in the Baltic States' electricity market, the processes of market liberalisation will see a significant reduction in electricity generation, with the closure of the Ignalina nuclear power station and the old blocks at the Narva thermoelectric station in Estonia, where oil-shale burning is used as a source of energy. If new capacity to generate electrical power is not created in the Baltic electricity market, or projects involving the connection of Baltic electricity networks to other national networks in the European Union are not implemented, the dependence of the Baltic States on Russia will increase significantly in this area.

One of the long-term solutions to increase the security of the energy supply in the Baltic States may be the construction of a new nuclear power station, which conforms to EU safety standards. Such a policy would also meet the requirements of the Kyoto Protocol for the reduction of greenhouse gas emissions, which is a problem at current thermoelectric power stations.

VALDIS DOMBROVSKIS

At the same time, the liberalisation of the natural gas market in Latvia, taking into account its technical dependence on the import of natural gas from Russia, practically from one monopoly (Gazpro), is possible only with the implementation of alternative gas supply projects. Implementation is a solution, which is only possible using joint efforts and with the help of the European Union, because the question of the security of energy supplies and diversification of imports is still topical for other Eastern European countries. Although there are no specific projects as yet, it can be predicted that developmental trends in the price of energy will gradually also make these alternative gas supplies more economically viable. A liberalised energy market in Eastern Europe, not only in the electricity, but also in the gas sector, is a possible and achievable aim by the year 2020.

5. The development of science and technologies

The development of these areas is the hardest to predict, although their impact on economic, social and other processes is enormous. Until now the European Union, when assessing these processes together, not separately by industry or area, has responded mainly to global challenges in the areas of science and technology. For example, the Lisbon Strategy was, to a great extent, a response to rapid US advances in new technology on the eve of the millennium.

In the next fifteen years, if the European Union wants to achieve the role of global leader, such an approach will be insufficient. Perfection in fundamental science and the education system is not enough, although it is undoubtedly important. The European Union must propose these priorities itself, not only in the areas of science and technology, but also in other areas, and should declare these challenges to the world, thereby securing advantages on a global scale. This also demands a higher level of coordination in the development of different areas of policy on the part of the European Union and its Member States.

In our vision of Europe 2020, there is interaction between geopolitics, demography, European identity, economy, science and technology. Long-term solutions in one individual area are not possible, without taking account of processes in other areas. Only balanced and sustainable development can create opportunities for resolving these problems.

LATVIA AND EUROPE FOR FUTURE GENERATIONS. WHAT WILL THEY BE LIKE?

A democratic environment of problem solving must be maintained at the level of European Union Member States and EU institutions, as this guarantees that all areas will be observed in the development of Europe and no one problem will be highlighted, whilst forgetting all other problems.

Discussions, a common understanding of values, a possibility to implement common policy – all these have just as great a significance for Latvia as a member of the European Union, as market possibilities and financial resources provided by this membership.

March 2005

Avril DOYLE

Head of the Irish Delegation of the EPP-ED Group
in the European Parliament



Health – Our vision of Europe. Driven by statute or the courts?

Good healthcare is at the core of our civilisation. It is a value so intrinsic to the European model that it has been taken as a given. Yet until very recently, with the Commission's 2000 Communication on the Health Strategy of the European Union and its follow-up reflection processes, public health has not been systematically addressed at a European level. Despite having a clear mandate, enshrined in the Treaty, to play a role in the area of health, the Community has largely left policy decisions solely to Member States, and by proxy, to the ECJ. Now is the time to tackle the issue head on and incorporate healthcare in Community secondary legislation, in a way that comprehensively reflects the economic, social and cultural centrality of health in the lives of our citizens. It is time to let the statute books, not the courts, dictate European health policy.

Right to healthcare is enshrined in the Treaty

The Treaty states that "a high level of human health protection should be ensured in the definition and implementation of all Community policies".

Public health has in fact been further incorporated in the new Constitutional Treaty as an area where the Union may take coordinating, complementary or supporting action. The Constitutional Treaty also includes promoting "the well-being of its peoples" as one of the three fundamental aims of the Union.

Through the incorporation of the Charter of Fundamental Rights of the Union into the Constitutional Treaty, the right to life and the right to integrity of the person have also been reinforced.

The Constitutional Treaty provides a clear delineation of the respective competences of the Community and of the Member States so that concerns about Brussels encroaching on national prerogative can no longer be cited

AVRIL DOYLE

as a deterrent for taking concerted action at EU level. We need to achieve an effective and practical balance between the Community and Member States, founded on clear and unambiguous legal principles. It is time to ring-fence our Member States' responsibilities in the delivery of care that is accessible, sustainable and of high quality and to take advantage of the "added value" that EU level coordination can bring in the area of health.

What role can the EU play in health policy?

The role of the EU is first and foremost to protect citizens. The Community can and should "add value" in research, in providing information to citizens and health players; in establishing best practice; facilitating coordination and dialogue between Member States; fostering partnerships with civil society stakeholders; identifying strengths and weaknesses in healthcare systems; encouraging the synergies and removing obstacles to accessing medical treatment. The Community is also well placed to harness developments and tap into knowledge and expertise at an international level and to coordinate its external and internal policies with WHO best practice.

Institutional capacity gaps across the Enlarged Union necessitate a reinforcement of the Community's supranational stewardship function for health and health-care, particularly where cross-border issues are concerned.

In particular, the Community is optimally positioned to combat transnational health problems such as the threat posed by epidemics of infectious diseases and food-chain related incidences. BSE and Foot and Mouth Disease outbreaks, SARS and Avian Influenza scares have all, to our cost, underlined the imperative of having pro-active, pre-emptive coordinated action in the area of health.

The recent proliferation of EU Agencies in this field – The European Centre for Disease Prevention and Control (ECDPC), the European Food Safety Authority (EFSA), together with the European Medicines Agency (EMA) – is a welcome and necessary development; however, they cannot function properly without a clear Community level policy and the necessary designated resources to underpin them.

Through mainstreaming health into all EU policies, conducting extended health impact assessments and evaluations on all EU legislation and promoting healthy lifestyles, the EU can provide the necessary platform for joined-up thinking.

The broader behavioural, social and environmental factors that determine health can be optimally addressed at Community level through such a holistic, as opposed to fragmented, approach. Areas as divergent as REACH chemicals policy, transport policy and legislation on working conditions and nation-

HEALTH – OUR VISION OF EUROPE. DRIVEN BY STATUTE OR THE COURTS?

al environmental and spatial policies all impact directly or otherwise, on health.

The EU must not adopt a piecemeal and blinkered approach to health, or attempt to section-off or separate the economic and the social aspects of health services. All healthcare systems in the Union feature common principles of solidarity, equity and universality of access, despite their diversity in organisation, structure and financing.

Health policy is at the interface of a number of European core values and objectives: market-based competition and social solidarity; unalienable state-guaranteed human rights and the freedom, choice and responsibilities of individual citizens... history has shown us that simplistic, manichaeian distinctions do not form the basis of good government. Viewing the world in black and white is of interest only insofar as it enables us to clearly identify the issues. We must not confuse these artificial dichotomies with irreconcilable policy options – they are merely decision-making tools. The challenge that faces us is to develop a coherent empirically sound European approach to health, which encapsulates the essential complementary nature of each of these core values and objectives.

Health implications of the "greying of Europe"

Perhaps the most pressing reason for structured and formal coordination in the healthcare sector is Europe's ageing population – the so-called "greying of Europe". The EU is facing unprecedented demographic changes that will have a major impact on the whole of society. Figures in the Commission's Green Paper on Demographic Change show that in 2030 roughly two active people (15-65) will have to take care of one inactive person (65+). And Europe will have 18 million fewer children and young people than today.

If, as Eurostat predicts, there are 38 million people above the age of 80 in 2050, compared to 14.8 million today, it is inevitable that health care expenditure will rise substantially – by 2.7% of GDP, at the very least, based on these projections. The ratio of dependent young and old people to people of working age will increase from 49 per cent in 2005 to 66 per cent in 2030. To offset the loss of working-age people, we will need an employment rate of over 70 per cent. Yet, in order to achieve this, more women – the traditional carers of the elderly – will need to enter the workforce and consequently a greater proportion of the burden of long-term care will fall on the state.

When low fertility rates across the 25 Member States of the EU are factored in, the dependency ratio begins to look stark. The EU's fertility rate fell to 1.48 in 2003, below the level needed to replace the population – 2.1 children per

AVRIL DOYLE

woman. By contrast, the US population will increase by 25.6 per cent between 2000 and 2025. This EU figure is an average for the 25 EU Member States and masks extremely divergent worrying trends in certain countries, particularly in New Member States, where birth rates are plummeting. The natural decrease (the difference between the number of live births and the number of deaths during the year) in the population in Latvia, for instance, is – 4.9, compared to a natural increase of 8.2 in Ireland, a country of similar population size. When we consider the challenges new Member States already face in reforming and modernising their healthcare systems, it is clear that the situation is critical. We must plan for the future now through instituting a coherent framework for health at EU level.

Health contribution to the economy

Health is increasingly at the heart of the European economy. The EU spends an ever increasing share of its GDP on health – 8.6% is the current EU 15 average with the New Member States spending 5.8% on average. This is compared to 14.6% of GDP in the US. With an ageing population, developments in medical technologies and treatments, many very expensive, and consequent rising expectations, this figure is likely to grow significantly.

The question is not how much do we spend, but how best can we spend it? EU health policy can go a long way towards answering these vexed questions, including the issues surrounding best management practice and the constant tension between administration costs versus frontline service delivery. Increasing resource inputs or "pumping money into the health system" is not a solution in itself. We must again beware of conflating means and ends.

Measures must be taken to ascertain how best to allocate these resources in order to develop flexible patient-centred healthcare, responsive to the needs and rights of every European citizen to access the best medical treatments available. Establishing comparable data at European level and promoting information exchange is a prerequisite to improving health-care delivery.

Systems of objectively assessing the standards of healthcare provision, such as International Accreditation, must be examined and deployed to help consumers seek care in the best treatment facilities available. This should promote consumer choice, responsible competition between health institutions and trigger a race to the top. Member States must, in this way, be aided and encouraged to learn from each other to make the best possible use of health budgets, especially as the demographic balance evolves.

We need to instigate a paradigm shift in our view of health policy and recognise the substantial evidence that, far from being a black hole of expen-

HEALTH – OUR VISION OF EUROPE. DRIVEN BY STATUTE OR THE COURTS?

diture, health is a driver of economic growth and sustainable development and should be firmly recognised as a key to achieving the Lisbon Agenda goals of making Europe the most competitive, knowledge-based economy in the world by 2010. The WHO has established a direct correlation between life expectancy at birth and economic growth. According to their estimates an increase of 10% in life expectancy at birth will increase the economic growth rate by 0.35% a year.

Conversely ill-health is a major brake on productivity and competitiveness. Cost estimates of some largely avoidable diseases speak for themselves. The annual financial burden in the EU of respiratory disease, for example, is over €100 billion a year and a startling €135 billion on cardiovascular disease, the number one killer in Europe. The cost of mental health alone, including stress, anxiety and depression, is estimated at 3% to 4% of GDP. The disease burden translates into heavy social costs ranging from sick leave, replacements at work and lower productivity to early retirement. Europe loses over 500 million work days every year in work-related health problems.

Health determinants and lifestyle

A greater focus for investment must be on prevention of ill-health rather than simply treating the consequences of it. In the EU, almost 10% of the disability adjusted life years (DALY) are lost due to lifestyle-related diseases linked with obesity, excessive drinking, and tobacco consumption. Poor nutrition (4.5%), obesity (3.7%) and inactivity (1.4%) account for a huge reduction in the quality of life of our citizens and represent a major challenge to productivity. A much greater return on our investment will be reaped, both in economic terms and in terms of improving the quality of life of our citizens, by addressing the determinants of ill-health.

Of course individuals must maintain their right to make lifestyle choices and it is not for the European Union to regulate the private lives of its citizens. However there are a number of areas where individuals can be encouraged to make healthy lifestyle choices through identifying and highlighting the determinants of ill-health.

Smoking is an obvious case for concerted action. Reducing tobacco consumption should be an aim of any Community-level health policy. In addition to the deterioration in health and quality of life associated with smoking – smoking causes 1 in every 3 cancers – the annual financial burden of lung disease is over €100 billion per annum. Member State initiatives to discourage smoking in public places should be closely monitored and best practice models disseminated as the successes and pitfalls become clear.

AVRIL DOYLE

Europeans rank as the world's biggest drinkers. Alcohol has a very strong cultural resonance in many sectors, even though irresponsible drinking patterns can be a major source of health problems and social ills. The total burden of disease, injury and premature death (death occurring before the age of 65) attributable to alcohol consumption is estimated at between 8% and 10%. Binge drinking is not just a feature of youth but is particularly prevalent among young adults. Irresponsible drinking, with all its incumbent social problems of violent and anti-social behaviour and family break-up, should be highlighted through Member State campaigns, underpinned by awareness-raising at EU level.

Nutrition is a major health determinant. Obesity is a contributory factor exacerbating the symptoms of many illnesses. The spread of type-2 diabetes, which now affects almost 1 in 10 of the population, is directly linked to food consumption patterns, as are a number of cardiovascular conditions. Heart disease is the number one killer in Europe, accounting for nearly half of all deaths. The EU must focus on giving citizens the information they need to minimise the risks they incur through their daily diet. The best results can be achieved through educating young people before poor lifelong habits have been established. Again, here, we must tread a fine line between informing citizens and interfering with consumer choice by nannying them. Individuals bear the ultimate choice and responsibility for their own lifestyle.

It will always be impossible to legislate for human nature, and encouraging citizens to make fundamental and enduring lifestyle changes and lead healthier, more active lives is an undertaking that will require more carrot than stick. Addressing underlying mindsets and behaviours is a gradual process.

Health services sector

An astonishing 10% of Europe's workforce is employed, directly or indirectly, in health service provision. Health generated over 2 million jobs from 1995 to 2001. We must not take a reductive view of health services, which are qualitatively distinct from others, more than just the bottom line of financial profit.

The best way to maximise the growth potential of the health sector is through increasing competitiveness, always with the proviso that patient safety remain the overarching concern. The issue of better regulation is of paramount importance in the health sector as we strike a balance between facilitating patient mobility, professional mobility, cross-border health purchasing and service provision. Greater coordination of national health policies is an inevitable prerequisite of increased integration of the European Health services sector. Given the public service element of the health sector and the

HEALTH – OUR VISION OF EUROPE. DRIVEN BY STATUTE OR THE COURTS?

rights of patients, it is an area of economic activity that must be subject to clearer regulation than others. This means adhering to the basic principle that legislation must be simple, unambiguous and thoroughly vetted, risk and impact-assessed. "Lisbon proofing" our legislation will clarify patient rights and better equip them to avail of these rights. At the same time, in individual cases, there will always be a need to seek redress for treatments that go wrong. The different Member State health insurance schemes, the variety of professional indemnity schemes, the different approaches to liability and medical negligence, not to mention responsibility for aftercare issues, across the Union, must all be reassessed and "packaged" in order to ensure interoperability of the different systems to the benefit of the patient. A general services directive is not, in my opinion, the right legislative vehicle to achieve a Single Market in health services and make all the necessary provisions for patient mobility throughout the EU.

The economic aspects of healthcare provision cannot be taken in isolation. They are at the core of a nexus linking equally significant moral and ethical considerations. This cross-cutting nature of health must be reflected in legal instruments to rationalise the health services sector and bring it fully into the Single Market. This means adoption of a broader vision and a more comprehensive approach than in the past. The twin aims of avoiding overlap and duplication of legislation, and of creating legal certainty through a sound regulatory framework, require a coherent approach by the High Level Group on Health Services and Medical Care. The consequences of failing to fully vet our legislation as it relates to health could be far more serious than purely financial losses. The methodology for health impact assessments should be perfected and then applied to all Community legislation. Perhaps it is time for a Health Services Directive to be considered, with some urgency, by the Commission?

Health and research

The European model of competitiveness is predicated on a knowledge base. Greater emphasis must be placed on medical education, professional development and investment in human resources, especially given the chronic shortage of medical staff across the EU.

Improved professional mobility is essential for ensuring the dissemination of medical best practice and techniques. Professional mobility should be made as transparent and easy as possible through an extensive system of information exchange and through automatic recognition of medical specialties across the EU in the long-awaited Professional Qualifications Directive. As a corollary, better professional mobility will give added impetus to the

AVRIL DOYLE

move towards framing specific health services legislation, not least to counteract the "brain drain", and strain on the purse strings of Member States' health budgets, that could arise from the migration of highly qualified doctors, nurses and other medical professionals from their country of origin to Member States where working conditions and pay are better. Member States have a vested interest in promoting coordinated action in order to ensure that they maintain a return on their investment in medical education. Collaboration between national authorities and life-long learning programmes that are harmonised insofar as possible must be undertaken to maintain the highest standards across the EU.

Research investment in the health sector, both at national and EU level, should be strengthened in order to maximise the potential for growth and for improved delivery of state-of-the-art treatment. Properly resourced "Centres of Reference" should be established, specialty hospitals and research institutes which will form the vanguard of medical innovation. Improved patient mobility will maximise the utility of such hubs of medical excellence and provide for economies of scale.

Financing for the 7th Framework Programme for Research should be substantially increased and health research budget lines given a strong emphasis in order to assimilate this sector into the Barcelona Agreement targets of spending 3% of GDP on research. We are still a long way from achieving this objective. Member States and private and commercial entities should also play a part in research and development of medical technologies in order to make Europe a powerhouse of innovation.

Conclusion

Health services are essential services, not purely economic activities. The principle of universal access to high quality but financially sustainable health services must be upheld at an EU level and enshrined in a comprehensive well thought out legal framework. Ideally, this should be provided as close to the place of residence of the patient as possible. However, cross border treatment provision is a right that should be easily enforceable by patients without recourse to legal proceedings. Such mobility, limited though it is likely to be, should have the effect of driving up standards of care in the country of origin of the patient, the ultimate goal. A change of emphasis from treatment to prevention through tackling the determinants of ill-health at their root will avoid unnecessary suffering and lighten the load on the exchequer of avoidable treatments. Public and private involvement, and public private partnerships in investment will boost competitiveness and increase the quality of healthcare. These initiatives must be encouraged within the framework of

HEALTH – OUR VISION OF EUROPE. DRIVEN BY STATUTE OR THE COURTS?

the social pillar of the Lisbon Agenda, with support and dialogue at Community level. Without economic growth, we will not be able to sustain the levels of healthcare investment that will be needed to cope with the challenge of an ageing society. Economic growth and social solidarity are not mutually exclusive but two sides of the same coin.

March 2005

Camiel EURLINGS

Head of the Dutch Delegation of the EPP-ED Group
in the European Parliament



Keeping the European dream alive

I was a schoolboy at the time of the fall of the Berlin Wall. Throughout Central Europe civil society was undergoing a revival brought about by the courageous and concrete actions of citizens who were longing for democracy and freedom, from the Velvet Revolution in Prague to the independence struggles of the Latvians and Estonians. The force let loose by so many brave people in Poland proved to be unstoppable. It became a movement of citizens, from the bottom up, that managed to cross national borders and language differences. One thing was as clear as day to me and my contemporaries: the Europe of before that time, the world of the 1980s and before, was over.

What would come in its place, we school children and students of the time had very little idea. You could only glimpse vague outlines and distant idealistic prospects at that time. Who could have thought then that the dream of Robert Schuman and Jean Monnet, of reconciliation between states, would not only become reality in Western Europe, but would envelope the rest of our continent as well; that the reunification of Germany would become a fact within a year, without a single shot being fired anywhere along that heavily guarded border; that the Baltic peoples, swallowed up and oppressed by the treaty between Hitler and Stalin, would be free again within a few years; that a dissident playwright would move from prison to the president's palace in Prague; that citizens with orange scarves and tents on the big central square would at last force free and fair elections to be held in Kiev?

Radically changing frameworks

That schoolboy from Valkenburg in Limburg in 1989 is now writing this essay from the European Parliament, in which people from 25 nations are working together and attempting by trial and error to shape a new Europe. The

CAMIEL EURLINGS

Europe of '15 years later' is unrecognisable to anyone who looks back to the weeks of the fall of the Wall, not only geographically and politically, but also unrecognisable in the development that is facing that Europe over the next 15 years, looking ahead to 2020.

The whole frame of reference of what Europe is, of what can be achieved through cooperation – and the global conditions within which the EU will have to function – has radically changed. This means that it is as foolish as it is risky to continue to burden, and thereby distort, that future development with the reflexes – both mental and political – and preconditions of the past, before 1989. It is our task as Christian Democrats – who have been supporters of European cooperation from the beginning – to deploy all our efforts to bring the dream of Schuman, Monnet and De Gasperi, the European house, further on the way to fruition in a changing society. That may not be an easy task, but it is a rewarding and inspiring one.

Let us take a closer look at some of these major changes and overturned frames of reference.

The Soviet Union used to be the greatest military power in Europe with strong colonial tendencies, imprisoning tens of peoples and nations. Not only has it now disappeared, but oppressed peoples within its former empire have become free democracies. The 'Chestnut Revolution' in the Ukraine in the autumn of 2004 underlined this unprecedented historical fact once again. No European people still allows itself to be deprived of its right to exist, or of the prospect of a pluriform state under the rule of law, a democratic civil society, freedom of religion and freedom of expression. Nor will any European people allow that pluriform culture to be taken away again by the threat of violence and intolerance. There is no place for imperialistic and supremacist sympathies among us any more. Therein lies the essence of the joint effort that we as Europeans have to make now and in the future: mutual respect and equality between states and peoples instead of oppression, intolerance and ambition for power as the axis of our cooperation.

Now let us move on to another unprecedented change with respect to the situation 15 years ago.

The EMS (European Monetary System) was at the time an attempt to coordinate the different national monetary systems and currencies within the European Community. The EMS met with a fairly inglorious end as a kind of interim phase of economic and monetary policy, but its replacement by the euro and the euro zone as the new focus of integration of economic policy has clearly strengthened the position of Europe on the world markets. Furthermore, this further monetary integration has given the economic development of the EU more direction. It provides a clear and concrete means that more or less 'forces' policy-makers to strategic considerations that go beyond

KEEPING THE EUROPEAN DREAM ALIVE

the former national economic entity or the former national, long-term policy horizons.

It is a kind of 'internal globalisation' within the EU, through which all Member States of the Union inextricably orient the development of their own prosperity to the longer term development of the whole and to the questions and challenges that this places upon each of them. The first coherent formulation of this new reality was what has come to be known as the Lisbon strategy. The new Commission under José Manuel Barroso has further accentuated this vision and I hope that pressure will be brought to bear at national level upon policy-makers to get each country to make a maximum effort to deliver the Lisbon strategy. 'Naming and shaming' those who are lax or remain ineffective is coming onto the agenda with telling effect after all. Hopefully, this has bounded back in the face of government leaders who tried to gloss over this aspect of the coherent approach of this strategy.

A third framework that is radically changing is that of international security.

The division of Europe into East and West made our part of the world a potential battleground for the world powers, along the lines of the eighteenth century maxim about the position of my own country, the Netherlands, on the world map of the time: '*Chez vous, sur vous, sans vous*'. Until 1989, global politics was conducted over Europe and over the backs of the Europeans, especially those in the East.

With global military confrontation at that time in a bi-polar power structure, each step, action or failure to act on the part of one of the two superpowers provoked a counteraction on the part of the other, either in the same place or in a completely different global hotspot. It was normal, for instance, for tensions around access routes in the former DDR to the then free West Berlin to have a direct effect on the situation around Cuba or the Turkish-Russian border in the Caucasus.

With the implosion of the Soviet Union, security policy not only became uncoupled from this bi-polar structure of a balance of power between the superpowers, but international security policy also became a much more complicated challenge. New elements such as demography and migration have become inextricably linked with security questions. That also goes for the sinister links that have grown up between global criminal organisations with their financial branches and terrorism.

'Soft power' as a strong force

The risks associated with failed states and chaos in the governance of whole regions in different parts of the world have also become increasingly clear in recent years. Without the implosion of Afghanistan under the Taliban and the malicious regime in Sudan, the construction of Bin Laden's networks

CAMEL EURLINGS

would not have been possible. It is also essential to realise that the globalisation of terror became a reality with the building up of Al-Qaeda. There is evidence enough for this from the fact that the engineering students in Hamburg who planned and carried out the attacks on 11 September 2001 had made contact with Bin Laden in Afghanistan, Pakistan, Spain and Florida and had developed logistical activities for their act in all these places.

The social-economic, cultural and institutional development of these regions of failed states on a global scale are, therefore, starting to be included in a new vision of what an international security policy entails and must learn to encompass. The 'soft power' of Europe in conflict prevention, democratisation and the construction of civil societies in these regions could turn out to become one of the strongest forces on the same global scale, certainly now that the Secretary of State, Ms Rice, would you believe, is the one who is holding this out to us. She, perhaps better than others, has realised just how necessary it has become to find the right balance between the development of American power and the European contribution to the world precisely on extremely complex aspects of security policy like these. Old reflexes, including those of the anti-American Left, are of little use therefore and are unproductive.

At a crossroads in European history

With the huge developments that Europe and the whole world have been through during the past 15 years, we could be tempted to think that the greatest changes are now behind us, that the enlarged European Union is well on its way to completion, and that the dream of Schuman and Adenauer has been realised. Politicians who cherish this idea would do well to listen to their grass-roots supporters. They will be shocked to discover that many citizens of Europe are by no means as enthusiastic about the European project; that in most countries fewer and fewer people vote at each European election; that in referenda, for instance on the European Constitution, a significant proportion of the population vote 'no'; that nationalist tendencies are resurfacing more and more...

There are many reasons behind this paradoxical counter-current. For example, people very soon take the achievements of the EU for granted. My youngest brother cannot remember when we had border controls. My youngest nephew has never had to change money when crossing the border. Another reason is that the enlargement of the EU has not been accompanied by sufficient deepening or strengthening of European decision-making. The sense of detachment that people can have with a larger and larger, and therefore intangible, Union has not been sufficiently compensated by increasingly forceful and visible action on the part of the EU.

KEEPING THE EUROPEAN DREAM ALIVE

I am convinced that the European Union can only continue to be a success if there is sufficient support and enthusiasm for it in the population. Research study after research study have clearly demonstrated the citizens' ambiguity in the year 2005: on the one hand there is a strong desire to belong to Europe; on the other hand people see the European institutions as too invisible, bureaucratic and remote.

It will become clear over the next few years which sentiment has gained the upper hand. Some such as former European Commissioner Bolkestein predict a negative scenario: he thinks that Europe will not be able to increase its potential, but will concentrate on further enlargement, and consequently will become watered down to a mainly economic community.

Future challenges for the Christian Democrats

We, as Christian Democrats, must not allow this negative future scenario to become reality, so it is time to tackle a number of activities with vigour and enthusiasm.

1. We must be far more explicit in stating the benefits of the unprecedented speed with which European integration is developing in the real world on a day-to-day basis. This will prevent mistaken and unreasonably restrictive policy cycles and bureaucratic mechanisms that obstruct rather than promote Europe and prosperity and security in Europe. It will also help to prevent populists creating anti-European sentiment based on misrepresentations of the facts.

I recently came across a good example of this in the financial pages of various newspapers. While many anti-Europeans in the Netherlands create the picture that the new Member States are a real financial drain, the financial pages report a different scenario. Since the enlargement of the Union to 25 members there has been no other region in the world with which export and trade as a whole has developed so strongly as with the 10 new Member States, and a noticeable beginning of an economic recovery, after a series of very bad years, appears to be mainly driven by precisely those upward trends in export and trading relations. The new opportunities offered by the enlarged Union are obvious. They create opportunities for more prosperity, more work and more intensive cooperation from which each and every individual Member State benefits. This is further evidence of how it really is in the national interest of the Netherlands and the other Member States for us to promote the process of integration and cooperation where possible. The dropping of barriers encourages trade and innovation in the economy and this is already progressing at a more rapid tempo than many used to think. This rapid growth in trading relations with the new Member States is another illustration of this.

CAMEL EURLINGS

That is why it is good that we continue along the route of doing away with unnecessary bureaucratic mechanisms or regulations, often resulting from detailed harmonisation between European agreements, and regulate their implementation within the Member States. This is an example of a policy line that we in Europe have to tackle together and persevere with, because it is not effective when everyone does it on their own initiative: all too often it turns out that these barriers and bureaucracy at the different levels of implementing regulations and other rules work together and so it is necessary to tackle the different levels together.

2. Now that the EU has been enlarged to 25 countries, we must have the courage to really deepen our Union. Europe must get stronger, especially on those issues that, with our open borders, can no longer be resolved at national level. Issues that come to mind include combating the threat of terrorism, international crime, including drug crime, as well as preventing people trafficking between Member States through a common European asylum policy. Not only will Europe gain credibility by a strong European solution being found for concrete problems experienced by citizens, it will prevent something positive like open borders leaving a nasty taste in the mouths of the average European because the borders are open to citizens, and therefore to criminals, but are not open enough to the police and criminal justice system. Evidently the present arrangements have led to greater insecurity in border areas.

Ratification of the European Constitution is an important first step in the right direction but it is no more than that. After the Constitution comes into force, we will have to go further in strengthening the European approach, for example in the area of security and the fight against terror. It will be impossible to explain to any of our citizens why, even after the attacks in New York and Madrid, the security services of the Member States still do not automatically exchange information about possible attacks, when it has emerged that relevant information existed in other countries prior to both attacks, and when the Justice and Home Affairs Council resolved that after these events information exchange would be automatic and flawless. As long as the pride and macho behaviour of national security services prevail over maximum protection of the population, Europe as a whole will have a serious credibility problem.

The same challenge faces us when it comes to dealing with terrorist organisations. Even though we have a European list of terrorist organisations, there is a world of difference between Member States when it comes to how they deal with the groups on this list. An organisation like ETA, for example, which has spread death and destruction for years, is banned in some Member States and every means is brought to bear in the fight against it, while in other Member States its members can demonstrate freely in public. Inconsistencies

KEEPING THE EUROPEAN DREAM ALIVE

like this not only demonstrate a failure of solidarity; in a Union without internal borders they endanger the security of everyone unnecessarily. A European list of terrorist organisations can only have any credibility if inclusion on the list results in an unequivocal ban and action to bring about criminal prosecution throughout the territory of the European Union.

Finally, it is questionable whether we can carry on with the present situation where individual Member States determine their own policies on issuing visas and on immigration. After all, how effective can the European Union's negotiations with Russia on a future visa regime be, when a number of Schengen countries have entered into their own no-visa deals? Where is the social solidarity when, for instance, the Netherlands has taken the difficult but necessary decision to expel economic migrants and return them to their country of origin, and the Spanish Government decides at a stroke to give a million or so illegal residents a Spanish, and therefore an European, passport? How does it help to win support for open borders when a country like Portugal is making great efforts to combat illegal migration but then is in danger of being flooded by illegal workers from the Ukraine, for instance, because the German Government helped them to get tourist visas when it should not have done?

Lastly, our Union also needs to gain a much stronger presence in its dealings with the rest of the world. As foreign policy spokesman in my national parliament, I experienced at first hand how deeply divided our society was over the war in Iraq. What stood out just as much in all the discussions, however, was that supporters and opponents agreed on one thing: because of the serious divisions between the Member States, Europe had hardly any influence on the course of events.

It is high time that the European Union started to speak with one voice on foreign policy. This would be good for its credibility in the eyes of its own population but it would also give us the opportunity to exercise a decisive influence. This is all the more important as we have qualities to contribute that are specific to the EU. I am thinking here of the strong 'soft power' of our Union, which I broached earlier. In particular, our emphasis on putting human rights, democracy and civil society at the heart of our foreign policy could prove its worth.

This focus is not only relevant to policy directed at far-off countries. The inhabitants of countries neighbouring the European Union who still do not live in complete freedom and democracy particularly deserve our support. We have to have the courage to challenge the governments of these countries about their duties to their citizens over and over again, and to support well-intentioned politicians in those countries, and we have to do that primarily by adopting a common European approach. This is because a constructive dia-

CAMEL EURLINGS

logue with mutual interests could help the European Union to succeed in improving human rights in, for example, Russia. However, if at the same time individual EU states tread their own path, as when Chancellor Schroeder greeted the Russian President Putin with the words 'Your country is a perfect democracy', then the efforts at European level will fall well short of achieving the best possible result.

What applies to our neighbouring countries in general, applies all the more to those countries that have aspirations to join the European Union at some time. While the main challenge for the future must be to deepen our Union of values, not sticking to the Copenhagen criteria as non-negotiable conditions for accession would not only be bad for the inhabitants of Turkey and other potential candidate countries themselves; it could also make realising a stronger and closer Union itself into an unattainable utopia.

Further investment in Europe is investing in ourselves

It is incredible what the dream of great Christian Democrats like Schuman, Monnet, Adenauer and De Gasperi has brought about. Gratitude for this is in order. At the same time we must realise that Europe is far from being a finished project. We Christian Democrats must now show the same courage shown by the founders when they took the first steps toward cooperation to further strengthen the enlarged EU: to make it stronger in tackling cross-border challenges; to enable it to speak with one voice with respect to the rest of the world. With these actions we must also demonstrate to our people that Chancellor Kohl was right; Kohl who preached to the Member States that investment in Europe is investing in themselves and their own citizens.

This is how we can ensure that Europe not only remains alive for peoples who have been through times of war and experienced the absence of European democracy, but also for young people who seem to take living in the EU for granted. Only if the European Union remains alive in their hearts will the European dream become reality.

It is a privilege to me to be able to make my small contribution here in the European Parliament. I am proud to be allowed to do that as a member of the party that was present at the founding of today's Europe.

September 2005

Jonathan EVANS

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Europe in 2020: The economic revolution fulfilled

Twenty years ago, Europe was a continent divided: ranged into armed opposing blocs. Western Europe was a community of free nations with pluralist democracies, free markets and prosperity. Eastern Europe was a region under the yoke of communist totalitarianism, Marxist command economies and relative poverty. How much the world has changed in a relatively short span of history. With a few notable exceptions, our continent is today underpinned by the spread of liberal democracy, open market economies and relative prosperity. The scale and speed with which this transformation has occurred is something we are still coming to terms with. The reuniting of Europe is one of the great political stories of our time and the re-birth of democratic ideals in Central and Eastern Europe has made its mark throughout the world.

The enlargement of the European Union to incorporate the former Communist states of Central and Eastern Europe fulfils a long-held ambition of my party. And, in the years ahead, we will debate and decide on what further expansion the Union might undertake. Some would like to create a final European frontier, excluding nations like Turkey and others. On the other hand, some are keen to extend the borders of the Union in order to entrench security and stability. This will be one of the key defining factors in the Union's development in the coming decade and beyond. For my part, I can see great benefits in embracing the Balkan states, Turkey and Ukraine. These are strategically crucial countries. Turkey has long sought a European vocation while Ukraine is emerging as a possible key conduit in relations between the European Union and Russia.

The defining of the external EU borders is only one key challenge for legislators and policy makers in the next two decades. What kind of European Union Turkey and the Ukraine might join points to another of the challenges facing the EU. Will the Union continue to evolve into the political union that the European Constitution envisages? Or will the Constitution end up an historical

JONATHAN EVANS

artefact, a legacy of the high watermark of federalist ambition? As this publication goes to print, the people of Europe are still deciding the fate of this enterprise. One thing is clear, however. The battle of ideas on whether the EU becomes a political union or remains essentially a partnership of nation states is one that will not be confined to the shores of Great Britain. It has always been my view that in a Union of thirty or more nation states, the desire for common action will always need to be balanced by a need for the nation states to retain significant elements of national sovereignty. Whether the Constitution as we know it today will be the lynchpin of Europe's long-term future, remains in doubt.

The role of the European Union on the world stage is another key challenge that lies ahead. There are two schools of thought that will, I suspect, long outlive the Bush Presidency. The first seeks the emergence of a Europe that acts increasingly as a counterweight to the United States. France is the head teacher of this particular school with the United Kingdom and some of the Central and Eastern European States leading the charge of opposition to French ambitions here. The UK school contends that Europe cannot hope to be a military match for the United States, and that a transatlantic partnership is profoundly in the European interest. I plead guilty to being a graduate of the UK school not because I believe the United States has a right to expect Europe to lamely fall into line with every adventure it may embark upon. Rather, I take the long view of international relations. In twenty years time, new strategic alliances will have emerged in other parts of the world. China, for example, is not just an economic giant in the making, it is also developing a military superpower capacity. The Europeans and Americans will need each other to reinforce stability not only on their own continents, but in parts of the world where the new threats to our security will emerge.

All these challenges overlap. One cannot entrench security and stability on the European continent without either a democratically accountable and accepted political system, or a wider sense of how we can best defend ourselves from threats beyond our borders. However, as history shows us, the key to how societies develop lies in the economic sphere. Prosperity is the foundation of democratic stability and peaceful co-existence between nations and blocs. The collapse of the Soviet Union had its origins in a failed economic system. The fall of the Berlin Wall was, likewise, a testimony to a corrupt and inefficient economic order that consigned millions of Europeans to relative poverty. In a different context, the onward march of the Chinese economic miracle might well lead to political reform of a kind that we cannot yet predict. The economic well-being of people is always assumed to be the fundamental issue when elections are held. Over the sweep of history economic change, or demand for, it has led to revolution and political reform. In the context of the European Union as it might be in 2020, I consider the economic performance of the continent to be a major factor in determining the kind of Union we will live in.

EUROPE IN 2020: THE ECONOMIC REVOLUTION FULFILLED

An economic revolution

For British Conservatives, the great benefit of the European experiment has been the prospect of free trade and increased prosperity. Our national consciousness has, however, wrestled more uneasily with the political project. But, whatever my nation's scepticism about the benefits of greater political union, there remains a sense of the potential for Europe to be of enormous economic benefit to the UK. This sense has been tested also in recent times, as politicians and policy makers debate the extent of Europe's apparent relative economic decline. Europe is in a period of enormous economic transformation. In many of the countries of former EU 15, the challenge of economic change can more accurately be described as a threat in the minds of many. Politicians of left and right have, in my view, failed the 'vision test'. The need to protect the post-war economic and social order in the pursuit of short-term political expediency has been the watchword in too many European States.

In the new Member States, however, the speed of economic reform, although often a painful experience, is seen by and large as an opportunity – indeed a necessity. Their pursuit of competitive taxation policies, flexible labour markets, sound micro-economic reform and open markets has been an inspiration to those of us who championed the economic revolution instigated by the Conservatives in 1980s Britain. The lesson western European nations must learn from their neighbours is that tinkering with reform merely prolongs relative decline. Everyone recognises that talking about reform is the easy bit. Putting it into practice is the tough bit.

Many of us hoped that the Lisbon summit of 2000 would be a turning point in the economic direction of the EU. There, the stage was set for new thinking and an assault on the old ways of doing things. Or so we thought. By the time the half-way point of the 'Lisbon Process' was reached in 2005, the scale of the under-achievement in economic performance became painfully clear. America had continued to outperform the European economies with its insatiable appetite for innovation and flexibility of a kind that left this side of the 'pond' trailing in its wake. Meanwhile, China and India with a combined population of over 2 billion people had continued their phenomenal economic rise. Much of Europe remained becalmed, clinging to the forlorn hope that it could rest on what it believed to be a tried and trusted economic recipe. After all, we weren't doing that badly, were we?

Europe's position relative to other economic blocs is precarious. In the post-war period high and largely sustainable economic growth was taken for granted in most European countries. Rising prosperity seemed natural. Many thus believed it was logical for us to work shorter hours, enjoy rising standards of living, retire earlier and not be unduly perturbed by the cost of such

JONATHAN EVANS

privileges. But things have changed, and the cosy days of the past are now far behind us.

What has changed? First, nations from Asia to South America have undertaken reforms that have enabled their economies to achieve economic lift-off in a way that could not have been imagined only twenty years ago. As I have said, China and India have led the way – forging ahead with economic reform on a scale that leaves the onlooker breathless. They have been single-minded in their pursuit of innovation, ruthless in cutting the 'red tape' that discourages entrepreneurship and the result has been an inward investment boom on an unparalleled scale. Meanwhile, Europe has become less competitive vis-à-vis other developed nations. American and Australian companies operate in societies with more flexible labour markets and more business-friendly environments than their European counterparts. It seems to me that an essentially social democratic philosophy and culture has come to define the modern European Union, and lives still even in the mindsets of political parties of the centre-right, not just the left. At its heart is the complacent belief that social democratic Europe is a more 'civilised' place than the 'wilder west' of American capitalism.

Second, while Europe can boast world-class innovative companies such as Nokia and Glaxo SmithKline, we have too often failed to take full advantage of the technological revolutions. It is noticeable that Europe has no real equivalent of Silicon Valley, and that American universities dominate all rankings. India has seized the opportunities offered by the revolution in electronic communications with an appetite that few would have predicted, but it is not just in the new industries that we must raise our game: in automobile manufacturing, for example, Japan excels and while Volkswagen and Fiat struggle Toyota is poised to overtake General Motors as the world's dominant company.

Thirdly, we are getting older faster. The fact that we live longer is wonderful, but we are now at the stage where we are supported, whether through childhood, education or retirement, for as much time as we are economically productive. The modern European welfare state was conceived at a time when it was expected that we would only enjoy a decade or so of our retirement, but now we spend longer in full time education, retire earlier – often in our fifties – and live longer. We also expect more and more of our health services. Without pension and health reforms, all of these must be paid for by our children, but unfortunately we are not having enough of them. To replace the population, the average family must have 2.1 children, but in many European countries this is not happening: indeed, in Spain and Italy the birth rate is more like 1.2 to 1.3, and the average European rate is between 1.4 and 1.5.

So what should be done? First, Europe needs to embrace economic reform with the zeal of the convert. If there is to be any realistic prospect of '2020 Europe' being the economic powerhouse it aspires to be, then there must be a

EUROPE IN 2020: THE ECONOMIC REVOLUTION FULFILLED

profound and sustained change in the political mindset. The debate on how this should be taken forward is thankfully under way, but it remains more of a chore than something to get excited about. In some ways, the great economic reform debate throughout Europe is reminiscent of that which took place in the United Kingdom in the 1970s and 1980s, when Britain's seemingly terminal decline was rescued by a visionary Conservative Government that set itself the seemingly impossible objective of restoring the United Kingdom to the first rank of the world's economic powers. But today, twenty years on from the beginning of the British revolution, our economy consistently grows faster than the EU average. Britain's experience and that of Spain and the new Member States can be exported. There is no magic wand that can be waved, no invisible hand of the state that can be deployed. It takes political courage to, as the Americans would say 'walk the walk', not just 'talk the talk'.

Second, we need to seize the opportunities offered by technological innovation when the opportunity presents itself. The Lisbon agenda rightly puts research and development at its heart, and our high levels of education are an advantage we can and should exploit more determinedly. We must increase our levels of spending on research and development from the current two per cent of GDP to around 3 per cent, and concentrate on nurturing the small innovative companies that will be the engine of growth and employment in the future. Conversely, we need to abandon the urge to protect industries where we will never compete with cheap labour from the developing world, and we need to avoid the temptation of bailing out lame duck companies with state aid.

And finally we need to reform our welfare states. This will be a colossal task and one where no single country has a monopoly of wisdom on the best way to achieve the goal. Failure to address the soaring costs of our unreformed welfare systems will inevitably lead to economic disaster. This is not an issue which we can leave the next generation to grapple with. The question we must ask ourselves is not the cost of change, but the cost of no change. No change will lead inevitably to economic meltdown. High on the list of priorities for member state governments will be pension reform, and in particular changes which address the need to rely less on the state and more on private pension schemes. And, we must also realise that we cannot grow economically or pay for our pensions and health and social services unless we either have more children or are prepared to accept higher volumes of skilled economic migrants.

To some people, the picture I am painting of Europe in 2006 may seem unduly depressing, all gloom and doom. My thesis is not based, however, on some academic text, but on the reality that is much of western Europe today. But to lighten the mood, I want to complete my portrait with an optimistic assessment of what we are doing well. In particular there are three areas where we can be enthusiastic about where the future is leading us.

JONATHAN EVANS

In the middle of the nineteenth century the great American newspaper editor and politician, Horace Greeley, exhorted a fellow citizen to "Go west, young man, and grow up with the country". When I look at the future of Europe, increasingly I look at the EU's newest Member States and what they have to offer. "Go east" may be what Greeley would be saying today.

The fastest growing part of the European Union is central Europe, and while part of this can inevitably be explained by the fact that the new Member States are less well off and they have some catching up to do, we must give them credit for their innovative economic thinking and their boldness in adopting new policies. And nowhere have they been more bold than in the area of taxation.

For too long, some European countries have discouraged economic activity through high levels of personal and corporate taxation. Instead of learning the lessons of the Reagan and Thatcher reforms, many have complained that the low taxes offered by many of the newer members amount to unfair competition leading to so-called "social dumping".

The best and bravest example has been offered by Slovakia, which has introduced a tax system of extraordinary simplicity: the rate of corporate tax, income tax and VAT is 19 per cent, with no exceptions once applicable. Slovakia has been rewarded by high levels of inward investment and, contrary to all naysaying predictions, higher tax receipts. Other central European states are following the lead, and I am delighted to say that some of the more established Member States are taking note. The reaction of Austria, led by Wolfgang Schüssel, was to reduce its corporate tax rates from 34 per cent to 25 per cent to compete with its neighbour. I do not necessarily argue that flat taxes are the answer for all of Europe's economies. However, I am confident that the new Member States will lead the European Union to embrace the lower and simpler tax regimes that we must have if we are to compete on the global stage.

The second reason I have for optimism is the Single Market. This is by no means complete but it has so far been an extraordinary success. When Britain first joined the European Economic Community in 1973, there were strict controls on the amount of money that an individual could take out of the country, and on which airline carriers could fly between two destinations. Now capital and goods move freely between Member States and there has been an astonishing growth of low cost airlines.

The Single Market, even in goods, will continue to develop but it has already been of enormous value to European businesses and consumers. Our job now is to see it extended, and in particular to the services sector which accounts for roughly two thirds of the EU's economy. Despite the success of the Single Market it will be very difficult to achieve this second phase, but it is absolutely essential if we are to remain competitive.

EUROPE IN 2020: THE ECONOMIC REVOLUTION FULFILLED

My final reason for optimism is my belief that the current Commission is the most reform-minded we have had. In their strategic objectives for 2005-2009 they stated as their first aim the need "To put Europe back on the path to long-term prosperity", and noted that "The most urgent issue facing Europe today is clear: growth and jobs". I agree wholeheartedly, and I am particularly pleased that Mr Barroso has placed reform-minded Commissioners in the most important posts such as competition, the internal market and agriculture. They fully deserve our support if we are to achieve by 2020 a Europe whose economy is competitive, sustainable and dynamic.

Conclusions

There are many issues on which I could have focussed in this article. I could have considered whether there will actually be a European Union in 2020 and, if there is, will it be one modelled on the British vision of a partnership of nation states or some mighty federal colossus challenging the power of the United States. I could have analysed the geographical reach of the European Union and its ability to embrace diversity in the shape of Turkey, North Africa or the Levant. It might have been challenging to consider whether the EU will establish a new strategic political and economic relationship with Russia or the prospects of a Europe challenging America as the world's policeman. There is no end to the range of fundamental issues that I could have chosen to explore when considering the future of our continent.

In the context of this publication, however, I have chosen to gather some thoughts on the economic future of the countries and peoples of Europe. It will not surprise many that the British should choose to deal with the practical rather than the theoretical, the seemingly prosaic rather than grand schemes. I make no apology for my theme or the passion with which I argue my case. It seems to me that whether one is a European idealist gazing longingly into the future and the prospect of a United Europe or someone like myself who simply wants the EU to succeed as a partnership of nation states, there should be a consensus between us that the next generation of Europeans must have prosperity. Too often in our political discourse we gaze not to the horizon, but view everything through the prism of the next general election. I am at heart an optimist about Europe, but my optimism is laced with an anxiety that we are too often side-tracked by constitutional innovation and reform. Unless we work to entrench an economic revolution of the kind that I have described, Europe will not flourish in the way we would all wish for. Let the fruits of this revolution be the real legacy we leave for the generations of Europeans to come.

March 2005

Benita FERRERO-WALDNER

Member of the European Commission



Europe as a global partner

Europe – a success

A clear vision, i.e. *the peaceful unification of Europe*, underpinned our successful integration project over the last decades. Out of the ashes of two European civil wars, the founding fathers of our Union developed a revolutionary model – the peace project of integration, which, thanks to enlargement in 2004, has now been extended to nearly all of Europe.

Anybody who wants to create visions of Europe in 2020 would do well to look closely at these foundations of the common European house. The European Union is and remains the strong backbone from which Europe draws its political strength. It is more than the mere sum of its parts. The Union helps us *to resolve common cross-border problems*. It has substantially strengthened Europe's prosperity. The creation of the political union, the completion of the internal market, economic stability through the euro and, last but not least, recent enlargement – those are impressive achievements.

The EU is therefore invariably relevant as a political project. Europe has fulfilled its dream in a mere few decades. However, in order to equip Europe for the challenges of the 21st century, increase its international influence and prevent integration from being undermined by the implicitness of its achievements, we must revive the *'Europa myth'*. European visions for 2020 are the dream which unites us, the very foundations of our political identity. To outline those visions is therefore not a political luxury, but an absolute necessity.

United we are stronger – internally and externally

Europe must above all focus on three basic interrelated issues. First of all, it must strengthen *the democracy and legitimacy* of the integration process, not least with the help of the new EU Constitution. We must resolve the par-

BENITA FERRERO-WALDNER

adox that while the 'border-free Europe' is celebrating historic successes, many of its citizens feel that Europe has lost its way.

Secondly, Europe's economy and social systems need to undergo substantial *structural reform* in order to adapt to the 21st century. Europe's prosperity can only last if we better exploit its huge potential, create sustainable growth and use Europe's creative and intellectual resources more efficiently, to develop a society of knowledge.

Thirdly, Europe's international role needs to be greatly enhanced, in order to face our *global responsibility* even more successfully and to further our interests internationally. This is also linked to the two above-mentioned challenges – democracy and economic reform. A strong European foreign policy is essential in an increasingly interconnected world, in which the importance of borders is constantly diminishing, in order to ensure prosperity and security for future generations, thereby strengthening Europe's legitimacy. Internal and external policy are closely connected. Europe must regard itself as a global player and help to shape globalisation even more actively than it has done up to now. Not only is that our international responsibility, but it is also clearly in our own interest. We must export stability so that in the long term we do not import instability. It would be fatal to pull up the drawbridges. My vision is that of a Europe which continues to make an important contribution to international relations, as a strong and responsible player.

Europe – a global player

The EU of 25 is already a global force. With the largest gross national product and a common currency we are the largest economic bloc in the world. With our worldwide networks we contribute to security and reform. We are by far the largest donor of economic and development aid. We are involved in numerous crisis management operations. Above all, Europe and the ideas on which it is based, in particular democracy, the rule of law and the social market economy, have a great global power of attraction. A united Europe is clearly, therefore, a player which *shapes international policy*.

My key task as EU Commissioner for External Relations and European Neighbourhood Policy is to strengthen and further develop this international role. We must use our wide range of instruments even more promptly and efficiently. Europe must fulfil its potential. In the light of new challenges, there is a clear *political imperative* for European action. This is not a bid to create a European 'superpower'. Europe does not want to create a global empire. However, Europe's weight enables us to make an important contribution to international cooperation.

A number of basic issues will substantially affect external policy up to 2020. First of all, we are seeing an international increase in the disintegration

EUROPE AS A GLOBAL PARTNER

of state structures, i.e. *'failed States'*, which foment regional insecurity. This instability also affects Europe – politically, economically and from a humanitarian and environmental point of view. It is therefore essential that we reform weak and partly lawless regions through active 'state building'. The best way to protect our long-term security is to democratise crisis-stricken regions and to create prospects for economic growth. This is where the EU can provide vital added value. A realistic future vision is therefore a Europe which acts even more efficiently as an 'exporter of stability', in its direct neighbourhood and worldwide.

A second specific challenge is the new form of *terrorism*, which is aimed also at Europe's open societies and basic universal values. Terrorism is essentially a radical reaction to increasingly rapid social modernisation. We thus need an intelligent combination of decisive action and gentle influence, of 'hard power' and 'soft power', in order to tackle the roots of this danger. At the same time we must not let the logic of a 'battle of cultures' be imposed on us - that is precisely what terrorists want. We must counter terror with the basic values of democracy, human rights and tolerance. Europe can exert a powerful influence in this regard with its instruments and its external political authority. Our basic freedoms will, in the years up to 2020 and well beyond, remain a worldwide beacon of hope.

Lastly, we must *shape globalisation* even more strongly than we have so far, focusing especially on the problems relating to its 'dark side'. Economic crises, structural poverty in individual regions, the destruction of natural resources, disputes over reserves of raw materials, international organised crime, mass migration, diseases and epidemics – all of these are issues which have terrible humanitarian consequences in the regions concerned and a longer-term impact on Europe's security and prosperity.

To actively address these problems, therefore, is not only a question of international solidarity, but is also a political imperative for Europe.

Europe is thus pursuing a broad security concept, which centres on *human security* and which has, for a long time, been a leitmotiv of my political vision and day-to-day work. We must first and foremost get to grips with all the risks stemming from violations of individual freedom and dignity; above all, in other words, with the destruction of social and economic structures and the resultant flaring up of regional conflicts, the role of child soldiers, organised crime, and, in particular, the terrible phenomenon of trafficking in human beings. All of these issues show that security policy must often begin with small steps if it is to work on a long-term basis.

Multilateralism and partnership

The answer to this new international complexity cannot be a series of uni-

BENITA FERRERO-WALDNER

lateral initiatives – we need long-term cooperation. We must address these issues by means of a comprehensive international order. Europe therefore represents a paradigm for international relations – that of *effective multilateralism*. That is our concrete vision for a basic international policy framework. Europe is working on an order based on shared principles and cooperation, which gives all states accepting those principles a share in the global system. The opportunity offered by globalisation, therefore, is not one of a total lack of rules, but rather of shaping *the basic order of global freedom*. In order to achieve that, we need to reform our multilateral organisations, in particular the United Nations. Only multilateral cooperation can convey the degree of political legitimacy necessary for efficient action. In this regard, given its increasing importance with regard to foreign policy, we should also consider establishing a special seat for the EU on the UN Security Council.

This attitude in respect of foreign policy is also the product of our own *European experience*. The EU proves on a daily basis that intensive cooperation is worthwhile. Sovereignty, cooperation and integration are not contradictions in terms. Those who wish to fulfil their interests must act together.

Accordingly, effective multilateralism can truly work only if it is based on a strong *transatlantic partnership*. Europe's relationship with the United States is a central plank of the new world order. Clearly, therefore, global problems can only be resolved effectively if the US and Europe pull together. We should not forget that this relationship is the strongest, most comprehensive and *most strategically important alliance* in the world. It is underpinned by shared basic values and common interests. The discussions of the past few years have therefore not had a lasting impact on the importance of this partnership. Europe and the US clearly stand for security, stability and democracy. A foreign policy vision for the next decade must be based on this strategic axis.

The transatlantic partnership can, however, only work efficiently if it is supported by *two stable pillars*. Here, too, we do not need 'less Europe', but 'more Europe'. Criticism of the US, no matter how justified, is no substitute for a stronger European foreign policy. We have therefore continued to strengthen our alliance over the past few months and have drawn up a detailed agenda with the new American government, which must now be implemented.

Stronger cooperation with the US is particularly essential in the *Middle East*. This region will be of strategic global importance in the years leading up to 2020. It is therefore absolutely vital that we assist the region in its structural modernisation. The EU has been promoting stability and reform for years through economic incentives and regional integration. We are thus contributing to the implementation of the vision of a stable and prosperous region. In purely practical terms, we must take advantage of the new dynamic of the *Middle East peace process*. We must develop this new dynamic in the peace process and make further progress with the 'Roadmap'. In Iraq, we must build

EUROPE AS A GLOBAL PARTNER

on the positive process of the elections and the formation of the government. It is quite clearly in our interest to have a stable and democratic Iraq, which is why the EU is also providing generous aid in support of democratisation and the economy.

Europe's wide range of instruments generally provides an efficient response to the changing parameters of international policy. Few players have such a wide-ranging arsenal. Thus, globalised trade, the security of energy supplies, the fight against cross-border crime and problems relating to climate change are all issues which have a foreign policy dimension. The EU is present in all these fields and largely speaks with one voice. We are therefore able to project our internal strength externally. The European Commission, with its vast experience, makes an important contribution in this regard.

The success of this *sectoral foreign policy strategy* can be seen, for instance, in the EU's role in world trade or in the implementation of the Kyoto Protocol. The intelligent use of this policy is therefore a decisive factor in the success of the EU's external relations. To enhance the EU's external dimension and to coordinate these instruments even more efficiently is, for me, as EU Commissioner for External Relations, a matter of great importance. I intend to enrich Europe's diplomacy with these new dimensions. This is extremely pertinent in terms of finding a solution to interdependent international issues.

Probably the most successful use of this raft of instruments was and is the EU enlargement process. With *enlargement*, the EU celebrated a historic success. The gravitational power of the EU enabled the new Member States to modernise their countries extensively and thus permanently changed the face of Europe. Enlargement has catapulted the EU into a new dimension, particularly with regard to our direct neighbours. Under no circumstances does this mean that we are heading towards the creation of new internal dividing lines between an 'old' and a 'new' Europe, but merely that we are a new, strong Europe.

We are pursuing the expansion of the European peace zone and the projection of stability, democracy and prosperity to our new neighbours within the framework of the *European Neighbourhood Policy*. Our strategic goal is to create 'a circle of friends' around the European Union, from eastern Europe to the Caucasus and the Middle East, including the entire Mediterranean area. We are offering our partners in these regions an ambitious, tailor-made perspective, to be implemented through action plans. These will cover subjects ranging from enhanced political dialogue concerning cooperation in legal, energy and environmental matters, to the gradual integration of the countries concerned into the EU internal market. In short, it is a substantial offer, which will allow us to deepen our relations considerably.

The successful creation of a 'post-modern' peace order in Europe itself should not hide the fact that Europe clearly needs to make progress in its

BENITA FERRERO-WALDNER

practical *crisis management*. The Commission has drawn conclusions from the tragic tsunami in southern Asia and proposed measures to strengthen European crisis management, including the development of a joint civil protection scheme, by means of a flexible, rapid-reaction 'modular system' to which our Member States will contribute. In addition, there is the upgrading of military crisis management within the framework of the European security and defence policy, which is one of our important political instruments. At the same time, however, military instruments alone are clearly unable, by a long way, to cope with today's complex crises.

The new *EU Constitution* will give further momentum to the Union's international role. The mutual assistance requirement laid down therein is a clear commitment to political solidarity and unity in Europe. The establishment of a common EU foreign affairs service, which will also be based on the Commission's expertise, will continue to increase the EU's efficiency and visibility. The EU and its Member States are present throughout the world. Now it is essential that we use synergies and uphold our positions even more clearly.

These institutional developments are important, but alone they are not sufficient. Europe must show *the political will* to take swift and united action. Europe must begin clearly to see itself as a global player if it wants to continue to be successful. We need more courage to fulfil our international responsibility.

Europe – our common task

The European project thus remains vital in the 21st century. Europe can only survive if it bravely faces the challenges of an increasingly border-free era. *A common foreign policy is therefore* essential. Such a policy draws particular strength from Europe's diversity and openness. It would be wrong to define ourselves in terms of 'borders' from 'others'. We must continue to place emphasis on this bedrock of common political principles and convictions – above all tolerance – in order to strengthen Europe's basic identity.

My vision is that of a peaceful Europe, united in its diversity, which projects its internal strength externally. Europe is *a global civil power* with an almost magnetic attraction. To paraphrase the political scientist Jeremy Rifkin, the world is looking at this great transnational EU government experiment hoping to find guidance for mankind in a globalised world. The European dream is becoming increasingly attractive for a generation which is globally interconnected while being locally based.

EUROPE AS A GLOBAL PARTNER

I am therefore confident that Europe will *help actively shape the new world order, together with its partners*. We have the political weight and the appropriate instruments to be able to do this. Europe can make a vital contribution, by projecting peace, democracy and prosperity outwards and by showing the necessary determination to combat the dangers of our time. It is now up to us to show the clear political will to achieve that. *The 21st century can be Europe's century*, if we want it to be. That is our challenge – and our political duty.

March 2005

Ján FIGEL'

Member of the European Commission



Europe – Area of hope

Every one of us needs and seeks out hope in his or her life. A life without hope loses its meaning, becomes unbearable. We need hope that is genuine, not illusory.

Europe would not be what it is today without the crucial and irreplaceable contribution of Christianity. As a source of faith, but also of education and culture, it is one of the innermost and deepest foundations of European civilisation. The ancient Greek and Roman heritage was not enough to sustain the order and advancement of the peoples of Europe. It was rather respect of the dignity of every human being, through the freedom, equality and solidarity inspired and cultivated by Christianity and humanism, that gave the ideals of democracy and the rule of law their meaning and direction.

Europe's rejection of this inspiration in the past led to world wars, totalitarian ideologies and dictatorships. From Europe these spread throughout the world. Gulags, concentration camps, gas chambers – these are European "inventions". They constitute the shameful part of human history.

Nevertheless, Europe's adherence to its spiritual heritage made it possible to achieve not only reconciliation, but also the interlinking of the strategic interests of its states in one peaceful community. Despite all the shortcomings and the justified criticism, this community has given and is giving new hope to Europe and the whole world.

Unity cannot be built on money, markets and geography. It can grow only from common values. Europe is therefore more a political and cultural phenomenon than an economic or geographical one. It is a historical fact that the uniting values of the European nations were forged first and foremost by the Judaeo-Christian tradition. Not in solitude, not in exclusion, but in openness and interaction with other sources of European culture.

JÁN FIGEL'

The essential fruit of unity amongst people and nations are humanity and solidarity. Whenever we see a decline in humanity and solidarity amongst us, this will be a sign that the unity or its foundations are weakening. A genuine unity is therefore the hope not only of Europe, but of the entire world. In contrast to the past, European unity constitutes an area of common good, a continent governed by law and not by force. The European Union as the institutional expression of a community of states can, directly or indirectly, have a substantially greater influence on stability, security and cooperation in international relations. It can bring itself and the whole world new hope: hope of better-organised and fairer conditions. If it fails to succeed with some issues, the error lies not in the idea, but in the immaturity of politicians, in the self-interest of the Member States, or in institutional unpreparedness.

The state of European integration

The state of European integration seems to be defined by the relationship between hope on the one hand and preoccupations or concerns on the other.

The original Community of six Member States has now grown to 25 – in other words, the majority of the continent. Its share encompasses more than 450 million inhabitants. Let's look more into the state of our community:

— The EU is the world's biggest solvent market, but not its most productive market.

— Of all global actors it is the biggest provider of development aid for poor countries, but the comprehensive system protecting the agricultural market eliminates a large part of this.

— The EU Member States have a large military capacity, but only a very limited military capability. At times of major crisis in its vicinity (the Balkans, the Near East, Africa) the European Union was and remained more of a bystander than an agent of development or a necessary bringer of peace.

— The only one directly-elected international parliament – the European Parliament – has existed for 25 years, but the proportion of citizens turning out to vote has been on the decline for the whole of this period. And the enlargement of the membership and scope of the Union further widened the gap between its institutions and its citizens. The “euroclerosis” of the 1980s seems to have been gradually replaced by “euro-apathy”. The test of that relationship today is the ratification process of the EU Constitutional Treaty.

— The European Union as a whole is prospering, but its unemployment stands at over 9%. The EU's economic growth for a decade is sensibly lower than that of its main competitors.

— On the one hand the Union restricts the heavy influx of migrants from outside the EU; on the other hand there is the problem of the brain drain from Europe.

EUROPE – AREA OF HOPE

— Solidarity is increasingly rare in a variety of areas. Nevertheless, many people in Europe are succeeding individually and jointly, after the December 2004 natural disaster in South-East Asia, in expressing a solidarity far exceeding that of other parts of the world.

— And there is another very serious long-term problem: Europe is clearly ageing, the number of Europeans is declining and even Europe's share of the world population is falling rapidly.

Despite this, the European Union's attractiveness is unmistakable. Many neighbouring countries are interested in membership or closer cooperation. The Presidents and Governments of the USA, Canada, Russia, Latin America, China, India, Japan and elsewhere confer with the EU at the highest level. Inspired by Europe, a number of countries want to form an African Union. The euro – the common currency – is becoming a widespread and respected means of payment throughout the world.

Despite the shortcomings and failures, can anyone call the European integration project unsuccessful? Do we have a better option? I am convinced that with European integration it is like with democracy. Democracy is not ideal, but we can't think of anything better. Democracy is the governance of national or regional or local affairs by the people, through people, for the people; integration is the democratic governance of European affairs, which can and must have similar characteristics.

Thus the question "*Quo vadis, Europa?*" ("Whither, Europe?") is of crucial relevance to Europeans and to the whole world.

The future Europe

The decisive factors for the future of a united Europe are (1) awareness of the togetherness of its citizens and nations and (2) consciousness of its shared responsibility for development on the continent of Europe and in the world.

The foundation stones of integration are the common values which are universal and stem from the essence of the human being and mankind. The cornerstone of those foundations is the dignity of life of every human being and the universal brotherhood of man, so clearly and eloquently called for by the United Nations Universal Declaration of Human Rights. Our personal opportunity and common task is to live and nurture the basic values on which such unity is possible and necessary.

Furthermore, the interdependence of states is permanently growing in a variety of domains – the economy, security, politics, and the environment. The Member States of the European Union are bound together by an ever wider area of common interests. Underestimating or irrationally denying this fact helps nothing and nobody.

JÁN FIGEL'

In my opinion the future of Europe depends most on education and culture. In December 2004, in Berlin, the President of the European Commission, Mr José Manuel Barroso, rightly said: "In the hierarchy of values, culture ranks higher than economics. The economy is a necessity of life, but culture is what makes life worth living". I fully endorse this view. Since real culture is about the "soul for Europe" called for by Mr Barroso's predecessor Jacques Delors. For what would a human being be if it had no soul?

The goal and substance of culture is the dignity of the human being. Culture springs from people's beliefs. It seeks, collects and displays what people consider important, beautiful, good. And therefore culture finds its fundamental expression in the way people live together, as individuals in the family, in society, and in the world. Where states have nurtured their education and culture, they have flourished. Where they have burnt books and closed universities, they have ushered in the dark ages.

Francis Fukuyama's scenario of "the end of history" was not realised after 1989, even though the world has changed radically. There is more freedom; 22 new States have been founded in Europe. But there were also new mass graves, places of genocide, atrocities. Many fear for "clashes of civilisations".

I am convinced that such clashes can and must be prevented. Europe may play its historic role here. We therefore need to draw strength from our own heritage and be ripe for the responsibility to influence developments in the world. Beginning with our neighbours, via relations with the wider international sphere – the USA, the Russian Federation, Japan, China and other countries – the EU has what it takes to play a significant positive role in the 21st century. It will be neither simple nor straightforward. But which serious, long-term issue in human history was ever straightforward or simple?

I cannot but recall the most frequently quoted objective of the EU: "to become the most dynamic and competitive knowledge-based economy in the world by 2010". This aim is not just ambitious; it is also necessary. Today, however, it is clear that unless we substantially step up and speed up our reform efforts, we will remain far from achieving our aim. A simple awareness of our shortcomings and a genuine effort to improve them will be of political value. One of the most important preconditions for achieving this goal is to invest more and more effectively in knowledge:

1. in the *creation* of knowledge – through science, research and development;
2. in the *dissemination* of knowledge – through education and vocational training;
3. in the *application* of knowledge – through innovations and new technologies.

Europe should concentrate more on excellence than on average indicators.

EUROPE – AREA OF HOPE

We need to increase quality in the education of undergraduates, postgraduates and teachers. We must create a European area of training for mobility by making education systems mutually compatible, establishing a system for the recognition of qualifications. A strategic goal for the coming years is to attract talented people to study in Europe, to build a Europe of knowledge. This is the best way to achieve the competitiveness and the social and environmental responsibility we need.

Europe has gone through many and costly experiments. It needs to study its own history carefully and consistently. Rejection of universal values, losses of spiritual memory, ethical relativism have always led to the detriment of human dignity, to violence and war.

As ever in human history and human relations, we are also today part of a struggle for the values on which society, Europe and the world can operate. We are witnessing conflicting trends on our continent, which is striving for hope but whose population is dwindling. On the one hand we see a proliferation of the manifestations and instruments of a culture of violence and death, religious nihilism, moral and legal relativism. On the other hand there is a visible and admirable striving for a culture of life, a culture of solidarity with humanity and the world, a culture of responsibility.

The old and new EU Member States bear equal responsibility for the future of Europe. Enlargement is actually the Europeanization of the Union. The unification of Berlin and Germany was necessary and right. This is certainly also true of the formerly divided Europe. Political and economic links grow relatively quickly. It is very difficult to break down mental and cultural barriers. Like the unification of Germany, the unification of Europe was possible through the defeat and rejection of Communism. Regrettably we have not found enough political or moral consensus in Europe for condemning that period every bit as unequivocally as Fascism or Nazism. It would be wrong for the nations of the former Soviet bloc to replace Communism with consumerism. It would be equally unfortunate if they were to turn from forced collectivism to unbounded individualism. We cannot, without adverse consequences, replace the reprehensible utopian “justice without freedom” by putting “freedom without justice” in its place.

The Union’s enlargement in 2004 was huge, historic, and uniquely complex. It is, however, part of a process which is not yet at an end. Despite all the difficulties, the European project was and must remain an open one. Bulgaria and Romania are on their way, and Croatia and Turkey are awaiting negotiations. Other countries, too, are knocking at our doors. They are all seeking better conditions for their development, for a better future. Yet all must equally keep in mind the crimes and injustices of the past if they are, through genuine reconciliation, to arrive at an understanding that (1) European integration begins at home – in one’s own surroundings, with the unequivo-

JÁN FIGEL'

cal acceptance of the principles and values on which a united Europe stands; (2) European integration grows through friendly and cooperative relations with one's neighbours and (3) European integration is about the ability to contribute to the Community by sharing the interests, goals and responsibilities of development at home (*ad intra*) and abroad (*ad extra*).

Mankind cannot live without hope. Those who keep hope alive within them are, for their society and time, part of the dawning and not the twilight of that generation.

The united Europe has become the expression of hope, an area of hope, through the efforts of the generations that are the bearers of that hope. Each May we celebrate Schuman Day – Europe Day. Why, even decades later, do the nations still venerate their founding fathers? Because the fruits of their labours are good and nutritious for the “children”, for the coming generations. We need such examples in politics. We need people who think and act paternally, generationally. Not in a populist or over-pragmatic way, not short-sightedly, not without clear long-term vision, not without thought for the common good. A child best shows respect for parents by following their example, their inspiration. Respect for tradition does not mean preserving ashes; it means nurturing and handing on the fire which is the source of light and heat. All of us, whatever our calling, can and must use our living hope to offer inspiration, demonstrate solidarity and strengthen the vitality of the united Europe.

March 2005

Vasco GRAÇA MOURA

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The new European dynamic

According to myth, when Zeus, in the form of a bull, abducted the young and beautiful Europa, her father, Agenor, sent his sons, led by Cadmus, in search of her. During an eventful journey, Cadmus slew a dragon at Thebes. Athena advised him to sow the dragon's teeth in the ground, and from those seeds sprang up armed men who ferociously attacked and killed each other.

Luís de Camões drew a parallel in *The Lusiads*, criticising the chronic schisms of Christianity, suggesting that the 'wretched Christians' of Europe were like 'the teeth scattered by Cadmus'.

Over the millennia, that myth could be said to have become reality in the shape of the 'permanent civil war' described by Fustel de Coulanges as characteristic of Europe. Indeed, it is no more than a mere fifty years since an answer was found to bring peace and prosperity to Europe and permanently distance its peoples from the scourge and horrors of war.

The principle of conflict has been replaced by the principle of peace. It was the same in the myth: in the end, Cadmus, who sowed the seeds of discord, married the goddess Harmonia.

Yet, for four of the five decades since the Community die was cast, Europe remained divided by the Iron Curtain, with representative and pluralist modern democracies on the western side, and numerous countries to the east of that dividing line deprived of freedom of choice by Soviet oppression. In addition, for the first half of the period in question, until 1974-75, totalitarian regimes were still in power in Portugal, Spain and Greece.

It has taken a long time, then, for the political boundaries of the Europe we know now as the European Union to spread progressively to coincide with its cultural boundaries.

Throughout the various stages of that long process, designed to correspond to the concept of Western Europe – though Norway and Switzerland

VASCO GRAÇA MOURA

remain outside even today – the countries of the enlargement that took place a few months ago were excluded, and several others still await their opportunity to join.

The enlargement has immense significance for European civilisation and culture. The collapse of the Iron Curtain removed one division, but did not in itself create union. It did make union possible. It became possible for a vast group of dominated peoples whose national identities had been repressed to begin taking steps to enter the nearby area of freedom, development and prosperity.

Now, for the first time in the history of humanity, the union of the peoples of Europe is taking place not as a result of a 'top-down' imposition of power, as happened under various empires of unhappy memory, but 'grassroots-up', through the free, conscious and democratic choice of those peoples.

The new Europe will create an incalculable dynamic. How far its future boundaries may spread is still an unknown question. We need only consider Turkey's candidature, for instance, and perhaps even Morocco's, and other countries on the southern shores of the Mediterranean might one day join!

Europe's Greco-Roman and Judaeo-Christian roots will reach out to entwine in a different way with others, such as those of Islamic culture. The evolution of the ethnic structure of national societies within the European Union itself, as well as geo-strategic restrictions and implications, will play an important role in a constantly changing globalised world.

But, as Fernando Gil and Paulo Tunhas so acutely put it in a very important recent essay: 'neither religion and attitude to life... nor philosophy, nor law, nor science, nor technology are specifically Western features. However, there is a dynamic of invention, shaping turns of mind and ways of living, which appears to be inherently Western. And with that, an automatic thought process, consolidated since the Age of Discovery. Invention and reflection are principles that determine action. Apart from that, the West is still a telos or vocation, condensed into a rights, justice, democracy, liberalism complex.'

As a continent still under continuous geopolitical construction, Europe has thus become an exciting topic of dialogue, discovery and invention. Besides, as Denis de Rougemont said, through its worldwide impact it has been a positive adventure for the whole of humanity.

It would not be going too far to stress these aspects and their surrounding aura of deep satisfaction, and also, for some, apprehensions of a different order.

The solutions Europeans adopt will have highly important consequences for citizenship, peace, freedom, sustainable development, quality of life, and, ultimately, their position in the world political structure they inhabit.

The great issues looming on the horizon typically have to do with the rule of law, respect for human rights, development, social justice, cultural and lin-

THE NEW EUROPEAN DYNAMIC

guistic diversity, pluralism and tolerance in the model of democracy we call – and with good reason – representative and western European. To those issues others must be added: the powers and spheres of influence of such a vast group of nation-states, the progressive prevention of sources of conflict and the fight against an international crisis of which unemployment is one of the most negative and cruel manifestations. Recently, and very urgently, the issue of security and defence against fundamentalist terrorism has also been added.

The latter is becoming a priority which will have unavoidable consequences on the way other issues are dealt with. But let us leave it to the politicians responsible at the highest level and the specialists in these matters to determine the solutions and the specific instruments that will be needed, both strategically and operationally.

As regards civilisation and culture, it can be said that, paradoxically, Europe's strength is its principal weakness, and from that weakness it must continue to create its principal strength.

Democracy, with its dimensions of freedom, pluralism and tolerance, respect for human rights and the rights of minorities, certainly involves greater exposure, for societies practising it, to the risks generated by their enemies.

Like Leninism, Stalinism, Trotskyism and Nazism, Islamic fundamentalism is rooted in a profound hatred of Western democracy, and committed to its destruction by means of the very instruments and virtues inherent to it.

This is not just about philosophical attitudes linked to a certain vision of the world, it is about pragmatic and instrumental cynicism, where the ends justify any means.

Legions of fanatical followers are recruited and trained.

They spread out into cells ready to take action through a clandestine network of a kind not previously known.

They aim to conquer total power through violence in the name of an ethic and an aesthetic of death, and in particular through the indiscriminate mass murder of innocent civilians.

In Western societies, it is not unusual for people to engage in intellectual contortions and juggling acts in an effort to justify these attitudes, if not entirely, then at least in principle.

There is a long, impressive or, rather, depressing catalogue of such cases.

But that is the destiny of democracy: in the course of 20th century history, several genocidal torturers attracted sympathisers, legitimising intellectual constructs and more or less ostensible propaganda, in the shelter of freedom of thought, expression, assembly and political activity, which would never have been conceded in the totalitarian regimes they supported.

Looking back to the end of the Second World War, we should remember Europe's relationship with the USA, the importance of valuing the transat-

VASCO GRAÇA MOURA

lantic dimension and belonging to NATO, and now, too, the unequivocal attitude of the ten countries of the enlargement in that respect. Notwithstanding normal criticism as a function of the viewpoint of each Member State, these points present the Union with a two-fold and essential challenge: to make itself geo-strategically complementary to North America, preserving our common democratic values, and to develop competitiveness with it, affirming the world standing of the continent of Europe.

Given all that, and while not dispensing with other, maximally effective defence measures – and they are certainly needed! – the building blocks of democracy's strength must be its 'weakness' which exposes it to totalitarian dangers and the risk of extermination.

It cannot refuse to be what it is. That is what makes it a democracy.

It is because it represents a higher expression of reason and the human condition that it can stand up to brute force, irrationality and inequality. It is because it corresponds to the long course of human history, the hard-won progress in the conquest of freedom in general and specific freedoms in particular, that its best defence lies in deepening those characteristics.

The more humanist, the more open, the more plural, tolerant and free the Western world is, in itself, the more easily it will be able to overcome the challenges it faces and the more it will be able to assert itself against totalitarianism and fundamentalist fanaticism.

Through geography, history, dynastic and military alliances, language, religious beliefs, university tradition, through leading the coordination of European and Mediterranean knowledge in the great enterprise of the Discoveries, through cultural, literary and artistic tradition, through all its core international references and relationships, Portugal has always been a European country.

Indeed, in terms of stability of frontiers, Portugal is the oldest country in Europe, and at the same time its historical tradition gives it the inestimable wealth of being, probably, the European country that is most open to the world.

It is also a European country through its achievements since joining the European Community, through its role in the institutions and its contribution to the future of the Union.

It is also a European country through its intention and determination to occupy a prominent position amongst the countries that are most involved in the building of Europe, most relevant in its decision-making nerve centres, and most advanced in the group.

What is more, it is a country that increasingly recognises that its problems cannot be solved within the confines of a more or less sovereign area situated in the extreme west of the Iberian Peninsula. They have to be solved through the corresponding resolution of the major European problems, with decisive national intervention and without losing sight of the national interest.

THE NEW EUROPEAN DYNAMIC

We need to maintain that active interdependency which increasingly affects every aspect of our lives and without which we cannot enjoy sustainable development, quality of life, social justice, solidarity, living culture, national features of our own, or democracy.

Being Portuguese today implies the capacity to affirm ourselves in those terms.

For us, democratic Europe must be a profession of faith and a guide for action.

Being European today is about culture, freedom and dignity.

It is about remembering that in the end Cadmus married Harmonia.

In this place, we will go on talking about Europe.

April 2005

Mathieu GROSCH

Head of the Belgian Delegation of the EPP-ED Group
in the European Parliament



European integration and globalisation

Europe is struggling to establish effective proactive structures with which to meet the dual challenge of integration and enlargement. Going beyond the different views of integration and enlargement, three essential aspects have given deeper meaning to this European development: peace, competitiveness and solidarity.

This European development model is the only one that is capable of absorbing the shocks of globalisation whilst exploiting its promises, as globalisation calls for an effective response and represents a crucial challenge for the European development model *per se*.

Globalisation is characterised by three forces:

— *Technological development* is both the cause and the effect of globalisation. Globalised markets have generated economies of scale and allowed research and development costs for new products to be offset. Information technologies, fast and efficient means of transport and the financial markets are the lifeblood of global enterprises, the global distribution of images and ideas, and their communication and promotion network.

— *Political options since the 1980s*. Our 'old States' have been accused of acting sluggishly and ineffectively. Since the oil crisis, among other things, the welfare state has lacked money and confidence, which has rekindled the flame of neo-liberal thinking. The gradual liberalisation of trade, exchange rate stability and Keynesian policy has been superseded by rapid development, privatisation, deregulation and financial liberalisation.

— *Market capitalism* – the term used by Alan Greenspan (Chairman of the American Federal Reserve), among others – with its global enterprises and unified markets, is a real shaping force of globalisation. It is both a cause and an effect of a 'new global economy' and therefore a driving and shaping force of globalisation.

MATHIEU GROSCH

The challenges of globalisation

Globalisation must be assessed by weighing its benefits against its negative effects.

— On the positive side it generates the formidable technical innovation of globalised information serving democracy through knowledge, a technology at the service of man that can rise to the challenge of demographic growth and the lack of growth in natural resources.

— The successful emergence of certain South-East Asian countries that owe a great deal to international investment and access to European and American markets.

— An increasing awareness of citizenship of the world, of 'global' consumers and therefore of responsibility in terms of fundamental human rights and management of natural resources used.

— On the negative side, the increase in internal inequalities, caused by many factors: individualism, changes in social structures and the inability of states to rectify excessive inequalities because of competition between national regulatory systems.

— Despite five decades of global growth, the imbalance between North and South continues, with 20% of the population consuming 80% of the resources used. Even if this ratio remains unchanged, it is all the more dramatic insofar as the population of the Third World has grown from 1.5 to 4.5 billion people.

— Although technological improvements have allowed us to get more from natural resources, the total volume of growth in consumption outweighs such 'gains', and threats to the environment are increasing. Even if technology can rise to the challenge, lack of funding and the general internalisation of environmental costs prevent it from doing so.

Europe's role

As long ago as 1963, in his Encyclical *Pacem in Terris*, Pope John XXIII put the problem in these terms:

'Today the universal common good presents us with problems which are worldwide in their dimensions; problems, therefore, which cannot be solved except by a public authority with power, organisation and means co-extensive with these problems, and with a worldwide sphere of activity.'

It is therefore clear that no state on its own is adopting an appropriate policy to control globalisation simply out of fear of losing competitiveness. Even the most powerful state on the planet cannot claim to control and regulate the effects of a globalised economy single-handedly.

EUROPEAN INTEGRATION AND GLOBALISATION

Consequently, no state, not even the United States, can entertain this illusory conviction and impose its economic and financial rules or its social and environmental standards. What is more, despite still being preoccupied with its integration and organisation, the European Union must obtain the strengths of a global player, not least because such strengths respond to its internal challenges.

— A strong unifying principle: a vision of an equitable international economic order in a Community structure based on the values rather than the sum of the interests of its constituent parts, i.e. the Member States.

— Institutional expression in the pillars of the economic system, including the WTO, the IMF, etc. with one voice and a decision-making process based on the principle of majority voting.

— Increased autonomy within the Atlantic Alliance, since defence is a strong link in the autonomy of economic policy.

The international economic system is dominated among other things by the United States, as this country meets the above-mentioned criteria of combining internal cohesion with a global dimension. Let us be quite clear: the United States is a strategic ally for Europe, and it is up to Europe to obtain the means to avoid having choices imposed upon it, particularly a social model that differs from its own. It is up to Europe to stand up against greater tolerance of inequality and violence and to reject exposure to environmental and health risks and self-regulation of the market.

Europe has very real credibility internationally, but this must be strengthened by an active role in internal action that seeks to close the technological gap, reduce structural unemployment and maintain solidarity by controlling the ageing of its population and adopting a genuine asylum and immigration policy.

Its role in an active foreign policy must strengthen the different pillars of the international economic system and reinforce their cohesion.

1. The World Trade Organization

Europe is an important player within the WTO. The European Union has a dual handicap: unanimity and lack of financial solidarity capable of restoring the balance between the gains and losses of liberalisation.

This leads to very broad negotiating agendas in order to balance out the 'gains and losses' of liberalisation among the different countries.

This also prevents 'differentiated' policies, where for example privileged access to the market, limited in time, would be offered in compensation for efforts in social, environmental, health and other areas.

These advances would give Europe the opportunity to stamp its mark on the economy.

MATHIEU GROSCH

2. The United Nations agencies

Making Europe a fully-fledged player in the economic and social sector of the United Nations should be a priority.

It is also essential to give these structures the power to settle disputes.

The expanding role of these authorities and their importance are often underestimated. Whether it is the International Labour Organisation, the World Intellectual Property Office or the International Maritime Organization, to name just a few, the role of these authorities is to draw up, by consensus, the rules the global economy needs to ensure the collective preferences of states, to manage competition and to protect the environment and social rights, etc.

The European Union is involved in drafting these rules, but as an observer, since it speaks with a single voice only when there is a consensus among all its members. Rather than providing leadership, it all too often represents the largest common denominator among its countries, and is therefore rarely a decisive and truly European force. Since its decisions must be ratified by all its co-signatory states, their implementation is too often compromised or subject to national pressure or lobbying.

3. The International Monetary Fund and the World Bank

Their tasks of promoting macroeconomic and structural policy on the one hand, and preventing and dealing with financial crises on the other, underscore the importance and complementarity of this pillar.

The gradual move towards a sustainable development policy and the importance of investing in developing countries give these financial instruments a capacity for action in which Europe must play a greater role.

Bringing together almost 30% of the capital stock-related votes compared to 17.7% for the United States, the EU must challenge the ban on pooling its votes, at least for monetary union. This requirement is particularly urgent among other things because certain regions that have experienced economic crises wish to escape IMF supervision. Added to this is the fact that the European Union is the leading global provider of development aid.

Foreign policy and integration: a single challenge

To act as a power internationally, Europe must adopt a unifying principle capable of bringing together a vast community with its cultural differences. This principle and this ambition clearly show that, rather than being different or diverging, European integration and European action at global level represent a single challenge: without European integration, neither the European Union nor any of its states can meet the challenge of globalisation without abandoning the common values that led the countries to join the EU: funda-

EUROPEAN INTEGRATION AND GLOBALISATION

mental respect for human rights, economic development for the common good and protection of natural resources through sustainable development.

This European sovereignty will not be a new nationalism, and even less the sum of different nationalisms. It will be the expression of a European citizenship that respects internal and external differences and that encompasses the ambitions of belonging to a civilisation based on progress and humanism open to the world.

March 2005

Gunnar HÖKMARK

Head of the Swedish Delegation of the EPP-ED Group
in the European Parliament



Europe's success is based on being brave enough to see beyond today's borders

On Sunday, 13 January 1991, the chairman of the Lithuanian Parliament's Committee on Foreign Affairs, Emanuelis Zingeris, left his home in Vilnius and drove to the airport to catch a plane to Stockholm. Emanuelis was among the first who, in an early protest against the Soviet dictatorship, had been democratically elected to Lithuania's Supreme Soviet. He represented a Parliament that demanded that Lithuania should regain its independence after decades of Soviet occupation.

On the way to the airport, he noticed many Soviet military vehicles heading for Vilnius. Landing in Stockholm that afternoon as a guest of us in the Swedish Moderate Party, he discovered what had happened. Soviet OMON troops had occupied the city, the radio and TV stations, and surrounded both the Ministry of the Interior and Parliament. The aim was to suppress the liberation movement, which in recent years had established a degree of independence within the Soviet system that undermined Moscow's rule and authority.

A key objective for the Soviet forces was the Lithuanian Parliament. The democratically elected Members of Parliament who claimed to represent the Lithuanian people would be forced to surrender. Deep inside the Parliament building sat its President, Vytautas Landsbergis. He was surrounded and besieged by Soviet troops who had tanks and an overwhelmingly superior arsenal of weapons. Against them there were only volunteers, armed with old hunting rifles and with scarves instead of protective masks. If the place was stormed, they would stand no chance against the well-equipped elite Soviet soldiers.

Outside Parliament, between the besieging troops and the democratically elected Parliamentarians, were citizens of Vilnius. They built barricades using lorries, tractors and anything that might get in the way of these Soviet soldiers when the orders arrived, as had happened so many times previously in the post-war period (Berlin, Budapest, Prague, Warsaw), to smash democracy.

GUNNAR HÖKMARK

That afternoon in Stockholm we had a press conference where Emanuelis and Vytautas Landsbergis faced the assembled world press. At that time, Emanuelis was the only democratically elected representative outside his country's borders, out of reach of the KGB and the Interior Ministry troops. Vytautas Landsbergis – today a Member of the European Parliament – was also present via a four-way loudspeaker telephone.

Despite the seriousness of the occasion, I could not help smiling at the bizarre sight of journalists from the USA and Europe sitting quietly, looking at the grey loudspeaker telephone supplied by Swedish Telecom, and listening with rapt attention to the Lithuanian President – connected via one of only two telephone lines then available for telephone communications between Sweden and Lithuania – as he appealed for support from the international community.

There was huge interest and involvement from the rest of the world. For a long time, the three Baltic states had campaigned peacefully for their independence. Barely two years previously, Europe had seen how Soviet-controlled dictatorships were collapsing, and how the Wall between East and West in Berlin had been torn down by hand. The time had come for a new era.

The peaceful foundation for today's Europe was never inevitable

It was never inevitable that the Soviets would simply abandon what they regarded as Soviet territory. Nor was it obvious to Western Europe's democratically elected politicians that they should even support the Balts. Social Democratic parties that had campaigned during the 1980s for unilateral disarmament in Europe's democratic countries now had their doubts about seeing the break-up of the Soviet Union, just as they had been doubtful about German reunification.

In Sweden, the Social Democratic government had denied that the Baltic states were occupied and that they wanted freedom for their nations. It was said that the Baltic struggle for independence was just a struggle for cultural identity – nothing more than that. There was no reason to alarm Moscow with an excessively rapid and brutal democratisation process which could trouble the dictatorship too much. Things were already difficult enough for them, it was said. The political forces in the West that had demanded free elections in the East, and wanted all Europe's democracies to give the Balts their support, were described as Cold War crusaders and extreme right-wing fools.

On the evening of 13 January, Emanuelis was at my house, having dinner with my family and myself. Someone whose homeland had just been occupied should not be left alone. During the evening, Emanuelis was in telephone contact with several Western diplomatic missions in Stockholm, to let them know what was happening, and to appeal for support on behalf of the Lithuanian Government. We were also in continuous contact with people inside the Lithuanian Parliament. At around 11 o'clock that evening, Emanuelis Zingeris was talking to Vytautas

EUROPE'S SUCCESS IS BASED ON BEING BRAVE ENOUGH TO SEE BEYOND TODAY'S BORDERS

Landsbergis when he suddenly burst into tears. Landsbergis had told him that the tanks outside Parliament had started up their engines.

That meant that the time for storming the building was approaching. There would be a brutal showdown with all those who had barricaded themselves in front of Parliament or who had taken up defensive positions inside it. That same evening, Soviet interior troops murdered 13 young Lithuanians who had blocked their way as the troops tried to reach the TV tower. There was no doubt that it was all in deadly earnest. Vytautas Landsbergis knew that; so did all those at the Parliament; so did we, sitting at the other end of the telephone line in Stockholm; and so did those who were risking their lives in front of the Parliament building.

Ten minutes later, a private Swedish television channel reported the same thing. The reporter stated that the tanks had now started their engines. Yet somewhere along the line there must have been some hesitation because of the pressure of international opinion and the media's close scrutiny of what would have been a bloodbath of innocent people. After half an hour, the engines were turned off, only to be started up again several times during the night.

The next day, the same thing happened in Latvia and in Riga. Soviet troops marched in and surrounded TV stations, the Interior Ministry and the Parliament. The citizens barricaded themselves in front of Parliament, and kept watch for several freezing cold nights. In Riga, the cathedral was converted into a field hospital with volunteer doctors and nursing staff.

The same thing was about to happen in Estonia and in Tallinn a few days later. Below the Cathedral Hill, the parliamentary guards were prepared to summon people if the Soviet troops moved into Tallinn. They set up a traffic sign with a tank crossed out – No entry for tanks! They also rolled great boulders into place to stop tanks from coming up the road to the Parliament. People like Tune Kelam, now also a Member of the European Parliament, and Mart Laar, later to become free Estonia's first Prime Minister, and one of Estonia's very first EU parliamentarians, were there, ready to stand up for democracy and independence.

That Monday, one of many Monday meetings in support of the Balts was held in Stockholm. It was a weekly meeting that had been going on for almost a year, a continuation of the Monday meetings in Leipzig. The whole of Norrmalmstorg, a square in central Stockholm, was filled with people. In the square stood citizens from all sections of Swedish society. As well as those from leading Swedish politicians, there were speeches from Emanuelis Zingeris, Brunius Kucmickas, the Lithuanian Vice-President who had made his way to the West via Finland, and also Estonian and Latvian representatives.

On Monday afternoon, Vytautas Landsbergis spoke on a loudspeaker telephone which sits on the desk in my office, giving Zingeris and Kucmickas a mandate to form a government in exile based in Stockholm. He was well aware that what did not happen on the first night could just as easily happen over the next few days and nights.

GUNNAR HÖKMARK

Today, 15 years later, everything is very different. The Soviet Union no longer exists. Estonia, Latvia and Lithuania are not only members of the EU but also NATO. Two people who stood at the front of the barricades, in the truest sense of the word – Tūne Kelam and Vytautas Landsbergis – are today Members of the European Parliament and members of the EPP-ED Group.

In hindsight, everything that has happened since may appear logical and inevitable. Yet for those who were there at the time, who heard the tanks start their engines, and who saw the government in exile being sworn in, none of it was inevitable. It was the result of a political will that expressed itself on the streets and squares, and in the courage of individuals who stood up for democracy and freedom. It was built on a vision that in reality Europe had to act to defend freedom and democracy, because otherwise there can be no peace and no road to dignity and prosperity.

It was never inevitable that this political will would be able to express itself. In the East there were fellow-travellers who served their oppressors and betrayed their own people and those who did not wish to or did not dare to make a stand. In the West, there were people who thought that you should not question the order of things, people who were happy to talk about democracy, but who preferred to campaign for it far away from their own continent's political conflicts – most often in the form of a speech at some party congress in a distant one-party state. Social Democrats from Sweden and Europe never praised democracy as highly as when they were far away from the oppression in our own continent.

The peace movement that characterised the Baltic states formed the foundation on which today's Europe was able to develop without violence or conflict. It was the hope for a new Europe that was the driving force, a force far stronger than that which motivated the defenders of the old system.

Those who wanted to be in the vanguard of a new era, those who wanted to use peaceful means to challenge and defeat dictatorships, those who saw that the time had come to reunite Europe were proved right. Those who did not want to do anything, who wanted to let Moscow decide and who were hesitant about reunification and the new free economy, were proved wrong. We won, and the others lost.

Yet that is no reason to believe we have won, and that Europe is complete.

An important part of Europe's future stood and quaked during those cold days in January 1991. It was part of a trend that began in 1989, that came to shape our modern history, and did not really end until May 2004. It was never inevitable that the transition from dictatorship to democracy, from oppression to the rule of law, from planned economy to market economy, would go as quickly and as painlessly as it did.

Our future is being shaped in the same way now, through our capacity to look beyond today's borders. It is not just a question of geography; it is also about our

EUROPE'S SUCCESS IS BASED ON BEING BRAVE ENOUGH TO SEE BEYOND TODAY'S BORDERS

notions of ancient antagonisms, national interests, the excellence of the old model, as well as political traditions and our own geography.

Challenges in a new era

Over the next 15 years, just as much will happen as has happened over the last 15. All we can tell about Europe 15 years hence is that it will not look the way it does now, nor will it look as we may think it will.

This means that our capacity to lead Europe's development on the basis of fundamental values such as freedom, democracy, an open economy, plus ever closer cooperation across old borders, must be more important than simply adapting to what at present may be said to be the most pragmatic or realistic. That changes with each day that passes.

The challenges facing us today are not the same as those when the Wall fell, but they are just as great in relation to the power of change. Enlargement must succeed, so that Europe is united not just in name but also in gain.

Europe's economy is losing ground to the economies in America and Asia. The research and innovation resources we need are tending to leave Europe. European universities no longer gather the cream of European researchers and students.

The formal enlargement was carried out after a long process of negotiation, but now the real enlargement has begun, when economies and communities will start to gradually merge together, when East and West will be united not just through common structures, but also across borders, within the same economy and among people.

If we cannot make the most of the dynamism in the new Member States, if we cannot develop dynamism from the knowledge and traditions to be found among the old Member States, we run the risk of retaining the old divisions, albeit in forms other than walls or iron curtains.

Europe's security today is threatened not by a conflict along a geographic boundary between East and West through the centre of Europe, but by events around us that threaten our civilised society regardless of geographic boundaries and distances. Developments that will characterise countries such as Iran and Iraq and the outcome of the conflict between Israel and the Palestinians will have a direct impact on our own security and our children's future. Right now, just as we are seeing a trend towards a strengthening of democracy in the Middle East, our responsibility to support democratic development is particularly evident. History is standing there, quaking; it can go down one track towards greater democracy and stability, or another track towards decay and stronger totalitarian currents.

In the Caucasus, there is a new world of countries that most Europeans can barely point out on a map, but which have in common that their stability is the foundation of our future security and of safety on our streets.

GUNNAR HÖKMARK

Only a few months ago, one of Europe's largest countries was faced with a political conflict that could have led to civil war with the direct involvement of Russia. Because what did not happen did not happen, it is hard for us to appreciate the value of the European cooperation that helped to steer the development down peaceful and democratic paths. In doing so, we neglect the significance of the fact that so many people in Ukraine were driven by the hope that it was time for a new era for them as well, in which their perspective towards Europe was part of their vision of the future.

In Europe, the economy and competition are now developing rapidly as a consequence of enlargement and the single market. The development now taking place in Europe's growth and competitiveness has more to do with enlargement and the single market than the Lisbon process and the policy of making Europe the world's most competitive knowledge society. The real process of integration among Europe's countries and peoples is happening daily in the form of increased trade, increased travel and increased interchange. A visionary policy on Europe must accept and welcome this development and encourage it, along with the changes it brings.

Europe changes when the EU succeeds

When we meet the challenges facing Europe, the EU itself will be changed.

— When the EU successfully contributed to a peaceful and democratic outcome in Ukraine, both Ukraine and Europe changed, and thereby the demands placed on the EU also changed.

— As competition and the single market develop, overall competitiveness is reinforced. At the same time, more and more companies are facing fresh competition, and sometimes find themselves losing out to the new companies. When the new Member States achieve their transformation, this will not only reduce the prosperity gap between them and the old Member States, but also increase their economic and political strength.

— When the EU succeeds in its tasks and achieves its goals, this success will result in many more would-be members. We must then be able to address all the challenges that the success of our collaboration forces on us.

— As the EU grows in economic and political significance, so does the Union's responsibility towards other parts of the world and the international community for the demands that this imposes on our joint foreign and security policies.

Integration and success generate their own preconditions and opportunities that depend on changes in reality more than on political goals. This demands political leadership and the will to see beyond today's borders, if we are to avoid stagnating as if nothing had happened. Nothing would have been easier at the end of the 1980s than to be content with letting European collaboration develop only among the countries that were members at the time, or among the coun-

EUROPE'S SUCCESS IS BASED ON BEING BRAVE ENOUGH TO SEE BEYOND TODAY'S BORDERS

tries that belonged to Western Europe. That is how the world appeared at that time. Yet the vision of a Europe bigger than that, bigger than its existing borders, began to gain ground against the limited perspectives then defended by many people, and when the EU met the challenges of those times, this success led to Europe being changed in a way that also changed the EU.

Seeing beyond existing borders

It was precisely this capacity to see beyond existing borders that soon after the Second World War laid the groundwork for European cooperation that has today become the European Union. It was a far from obvious idea that Winston Churchill propounded in Zurich on 19 September 1946 when he argued for '*a kind of United States of Europe*' based on some of the most fundamental values for which the Second World War had been fought. '*Let there be justice, mercy and freedom. The peoples have only to will it, and all will achieve their hearts' desire.*'

This was about a new unification of Europe, a unification process from which no nation would be excluded, a great framework for peace in Europe that, unlike previous attempts, would specifically try to change conditions for people and the significance of borders.

In a Europe divided by oppression or poverty, peace could never be certain. He had a proposal that for its time, when the gulf between Europe's largest nations was perhaps bigger than ever before, a proposal *'that will astonish you. [...] The first step in the re-creation of the European family must be a partnership between France and Germany. In this way only can France recover the moral leadership of Europe. There can be no revival of Europe without a spiritually great France and a spiritually great Germany.'*

After the miseries and atrocities of the Second World War, this was no small gulf to bridge – far bigger than those we can see today between countries with whom we are discussing cooperation. Yet it was a first step, which was not just about coming to terms with the rifts created by history, but also about laying the groundwork for dealing with the rifts then being created anew.

He saw that Europe's only chance to banish for good the powers of evil was through a cooperation which secured the values of freedom and democracy across borders. Robert Schuman and Konrad Adenauer chose to work in the same way.

When, at the end of the Cold War, Europe moved closer towards cooperation, this was based on the ability of politicians of the day to see beyond the existing borders of those times. This must also be true today.

Expanding the single market

We have a responsibility to make sure that the single market develops with-

GUNNAR HÖKMARK

out the obstacles and restrictions that short-sighted national interests wish to impose. If we cannot develop over the next decade a degree of competition and a capacity for innovation within the service sector and in the core areas of the knowledge society, such as training, research and healthcare, then the most competitive developments in these areas will be seen not in Europe, but in other regions.

If we fail on that score, it will not only stand in the way of continuing European integration, it will also impede our opportunities to act forcefully on the international scene. This means that the enterprises that will emerge in the new knowledge society will emerge not in Europe, even though we have the world's largest market, but in other parts of the world.

Centres of excellence through competition

We can easily achieve 'centres of excellence' in Europe if we open the door to enterprise, a diversity of innovation, and always seeing if things can be more than merely good.

Let Europe's countries work together on healthcare, by letting patients choose where they are treated within the financial framework provided by the various national systems. If a Swedish person can choose healthcare from among the many providers who are only a few hours away by air, in order to find the best specialists for hip joint operations or for heart problems, just to take two examples, this will result in increased competition, better healthcare, and will develop the best facilities at different locations in many areas across the whole of Europe. This will push forward the development of knowledge, and also reinforce the academic potential for research. In turn, this will provide new opportunities for the European medical industry.

If, in addition, healthcare companies in the various countries can offer better management and better services both in their own countries and in others, then we will have healthcare that is continually improving, but which at the same time is developing on the basis of people's needs, and the demand for proximity.

The single market's borders should not be seen as fixed for ever. The single market can be enlarged even within the EU as it is today.

Let research transcend borders

Let some of the EU's research resources follow the students and researchers who choose educational and research institutions across the old national borders. This can be done in such a way that the costs of studying are financed whilst an institution that succeeds in attracting other EU citizens also receives increased research resources. The result will be that more and more governments will want to live up to old promises about increasing research grants to those

EUROPE'S SUCCESS IS BASED ON BEING BRAVE ENOUGH TO SEE BEYOND TODAY'S BORDERS

institutions best equipped to achieve a world-class position. We can generate both competition and increased research grants without undermining the right of Member States to determine their own education and research policies.

The clearest integration process we can currently see in Europe is resulting from the single market, competition and free movement. As things are today, there is too little mobility in Europe. There is also too little pressure for change towards creating new, more highly qualified and well-paid jobs to replace those in the old labour market. If we want ever-closer European cooperation, we have to work for free mobility in the labour market, and as much freedom as possible in the provision of services. It is possible to expand cooperation within existing borders.

Fulfilling enlargement to give greater security

Another integration process is the one arising from the fact that countries on the periphery of today's Union are adapting, and basing their social progress on the Union's values. This benefits our own security and safety and demonstrates the Union's capacity to contribute to peace and stability within a framework of freedom and democracy. This is a development that we must accept and welcome in the framework of the demands that we impose on European countries. What happened in Ukraine was a success for the EU. Now it is up to us to ensure that this development is a success for the whole of Europe.

The changes which the negotiations are driving forward in Turkey and in the Balkans are contributing to an EU which is in a stronger position to defend peace and stability in a world where the dividing lines between religions could lead to increased fundamentalism rather than an acceptance of fundamental values such as tolerance for the rights and freedoms of the individual.

Asserting our values in international politics

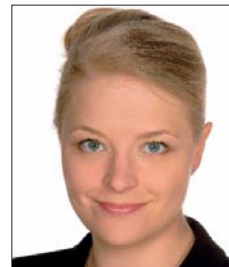
Categorical demands on Middle East dictatorships are vital, so that the EU can assert the values on which our own cooperation is based. We must not accept dictatorship and lack of freedom just because it is veiled behind a social system dominated by religion.

Europe today is better than ever. No previous generation could for good reasons have such bright hopes of peace and prosperity as the generation now living in Europe. To turn these hopes into reality, the EU must get better at living up to its own values and at looking beyond today's limitations.

March 2005

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Head of the Finnish Delegation of the EPP-ED Group
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Vision for Europe 2020

It is not an easy task to give an outlook on the future of our continent. If we look at the past fifteen years of the EU, a lot has happened and I am not at all certain that everything we have seen until now could have been predicted by anyone in 1990. At the time, the Soviet Union still existed, the velvet revolution was still in its infancy, even the European Union with its present three pillar structure was not yet established. It is actually amazing how successful "Project Europe" has been in the last decades.

The results did not always come easy. As Helmut Kohl, honorary citizen of the European Union, has often said as a message to the young generation, the European future demands not only strong vision and courageous political leadership, but much more restless day-to-day work than we sometimes believe.

The theme for this article is to discuss the role of the EPP in shaping the future of the Union. What are the biggest challenges where the centre-right Christian democrats and Conservatives should find answers and what kind of activities should we devote ourselves to?

The institutions of the European Union

Sometimes people working with EU matters are too concentrated on institutional affairs. However, I think it is of vital importance for the centre-right to lead the development of institutional reforms. Our direction must be clear, even though we know that in practice these things take time and need better co-ordination between all relevant actors, not least with the citizens.

The Constitution now undergoing ratification in the Member States gives a good basis to develop the institutional future of the European Union. If adopted, it will bring notable improvements to the way the EU functions. It

will strengthen the institutional structure of the Union and better equip it to deal with the challenges of better and more transparent law-making. Many of its innovations are novel, but it mainly solidifies and extends decision-making practices that have proven successful for the EU in the past.

Yet the Constitution cannot be seen as the terminal point of Europe's political and institutional architecture. We cannot afford to stop thinking about how to improve it. Europeans owe themselves such reflection, for much of European political evolution is about incessantly thinking beyond the foreseeable to a more perfect state of affairs.

The European psyche does not allow for the kind of constitutional conservatism that is often seen in the United States. And today, the EU is strong enough to mitigate some of the more destructive manifestations this drive has led to in the past.

The various "flexibility" and "transition" clauses in the new Constitution are welcome mechanisms for introducing changes as they become necessary. But the long-term future of the EU will not be framed by way of institutional mechanisms, legalistic tinkering, or streamlining adjustments to decision-making practices. It requires the spirit of a guiding idea. And this idea will inevitably need to borrow heavily from federalism.

The EU needs to continue streamlining its decision-making practices and its institutional balance. The guiding idea in this endeavour can only be a federalist one. For example, the creation of a full-time President of the European Council is a welcome development for Europe's voice in the world, but the nature of the office will need to be clarified and fitted in with the other institutional innovations for it to be effective and sustainable.

From the viewpoint of Europe's interlocutors and citizens, the dual presidency structure of the EU is not a credible one in the long-term. Two Presidents, one for both the Commission and the Council, with a Minister for Foreign Affairs shuttling between them, does not yet fully resolve the question of who speaks for Europe, and an inevitable conclusion must be drawn.

Over time, the elaboration of the office of a single EU President is necessary. In the first instance, it would be wise for the President to be elected by the European Parliament. Gradually, as this office matures and grows in stature and legitimacy, direct popular elections would need to be foreseen. However, this is not a realistic vision already for the year 2020, it must be said.

As for the balance between the institutions, another federalist outcome seems only natural. Without a normal bicameral legislature, where the Council of Ministers follows the example of the European Council and adopts a one-country, one-vote principle, decisions will continue to be made in backroom deals and accountability will be difficult to trace.

Borders of the European Union

It is not worth paying too much attention to future-oriented institutional structures, if we think that the rules are created only for the EU of twenty five Member States. This debate must be in line with our thoughts about the next steps in opening up the EU to new members.

For the centre-right, the EU must first and foremost be seen as a constitutional union based on common values. This means that the limits of the Union are not by nature geographical, economical or political, but that membership of the EU is more related to accepting a common constitution with its impetus on fundamental rights and responsibilities and common values as they are stated by the same Constitution.

In this respect, we should follow the path of the founding fathers and mothers of the Union. Robert Schuman wrote in 1949: "I do not have any intention of drawing a geographical line of demarcation between Europe and 'non-Europe'. There is another way of setting limits: that which distinguishes those who have the European spirit and those who have not."

We should be open-minded and let the European spirit glow and grow in our immediate neighbourhood. When these nations are ready, willing and able to join as new members and they are committed to the Constitution and common values, let them come in. I find it also better in conceptual terms to speak about the 'opening of the Union', not about 'enlargement', since it is a very EU-centric term. We are not creating a fortress Europe, but a continent where the basic principles of peace, liberty, stability and prosperity are shared by many, not only by the lucky few.

This kind of thinking gives us the opportunity to build a really common Europe, which in the end can consist of around forty democratic Member States. Of course, for this to become reality, we need to expect fundamental changes and sustainable development especially in the Balkans and in the rapidly changing area covering the former Soviet Union. We also should not set ourselves unnecessary time limits; the development from the dictatorial, largely undemocratic past into a genuine European democracy takes time and patience.

In the long term, Turkish membership of the EU promotes the development of democracy and human rights in this area, which is of utmost global strategic importance. Turkish membership helps the EU to build peaceful cooperation with the Islamic world and strengthens our ability to find a sustainable solution for the Near-East. Turkey is also important for the economic development of the EU, since the country possesses huge labour resources which will be badly needed by all current EU Member States. However, at the moment Turkey does not fill the membership criteria due to its poor human rights situation. Also, a solution has to be found to the situation of Cyprus

before Turkey can join the EU. In the coming years and in the course of the Turkish membership negotiations, a special emphasis should be put on the dialogue with the European citizens.

The membership of Bulgaria and Romania have a shorter perspective, as they are expected to join the EU in 2007-2008. Despite the advanced membership preparations in numerous fields, there are still reforms that need to be passed and issues to be addressed without hesitation before full membership can be accorded to them. The reform of the juridical system and truly independent courts of justice are of crucial importance. Membership of the EU without a fully functioning and transparent legal system is out of the question. The situation of minorities like the Roma must also be genuinely improved. Therefore Romania especially has to struggle hard before it can be admitted to the EU in the set timeframe. The European Union is and remains a space of freedom and justice, also in all new Member States.

Croatia, after Slovenia's recent membership of the Union, is the first of the former Yugoslav states which suffered the era of difficult civil wars to have a perspective of accession to the EU. While Croatia's membership could be seen as an opening towards the countries in the Balkans to access the EU, it also sets an example on the importance of the fulfilment of the international obligations by all countries aspiring to become Members of the EU. Croatia's membership will not be possible as long as it refuses to cooperate fully in getting the war criminals to international justice.

European home market an achievable goal for 2020?

The Europe-wide internal market is one of the main achievements of the EU. Markets, however, are not ends in themselves. They constitute means to achieve important objectives, such as peace, economic growth and employment. According to the Commission, progressive liberalisation and consolidation in the internal market accounts for 2.5 million new jobs and over €800 billion in new wealth since 1993. New technologies and the opening of national markets for competition have reduced the price of phone calls by 50% since 1998, and the price of air travel by 41% between 1992 and 2000. Over 15 million EU citizens can work or retire in another EU country due to reductions in bureaucracy and red tape.

These concrete market benefits and other everyday improvements, such as the single currency and passport-free travel, provide *ipso facto* justification for the whole EU. The EU institutions have produced hundreds of directives aimed at freeing trade and the movement of people. Member States need to intensify their efforts in implementing them, while the EU has to refrain from overly detailed and cumbersome regulation. One of the main tasks of the European Parliament is to ensure that the people's voice is heard in the elaboration of the internal market and joint EU policy.

VISION FOR EUROPE 2020

Now that the internal market exists, at least on paper, can we say that our work is done? Quite the contrary. For businesses and individuals, Europe still does not constitute a genuine home market.

Only when the preconditions for fully integrated markets are fulfilled will Europe represent a place for business comparable to the home market. What are the missing elements?

The area of greatest effort should be taxation, especially harmonisation of the corporate tax-base. This should be done without sacrificing the beneficial element of healthy tax competition between legislatures.

The single market is not a real home market without further elimination of all remaining obstacles and restrictions. In the short term, the issue of utmost importance is the single market for services. The services directive is urgently needed and must be adopted without unnecessary delay with all of its key principles, country of origin principle being the most important of those.

Other improvements need to be targeted as well. These include the pursuit of economic and social cohesion across the EU and in its near-neighbourhood. The consolidation of the internal market is especially important for small Member States, as their dependence on new and enlarged market opportunities is relatively greater.

Competitive Europe

The European Centre-Right needs to focus on clearly positioning the European economy on a path towards growth and competitiveness. We need to assume primary responsibility in this endeavour, as experience shows that our socialist counterparts are unable to undertake the necessary reforms. We must pledge our support to the Barroso Commission and all subsequent Commissions, as they will be central in putting Europe's reform agenda into practice.

The European welfare model will not be sustainable without a durable economic base. For wealth to be distributed, it needs first to be created. Hopes of a more social Europe cannot be allowed to perish through the incompetence and inaction of leftist conservatives.

In the EU corridors in Brussels, the concept of "red tape" is very familiar. The concept is used to describe bureaucratic and regulatory burdens, which gnaw away at the Union's competitiveness and inhibit structural reform.

When the EU is faced with demands for action in one or other policy-area, too often the answer is to draft a new law or to create a new post. Quite often it is both. Europe's biggest problem is not, however, the lack of regulations; the problem is their lacklustre implementation. Common rules have been established, but no-one is properly equipped to monitor their

PIIA-NOORA KAUPPI

observance. The situation is unsatisfactory even in the core EU field of the internal market. Few sectors remain where markets could be opened up with new legislation. Indeed, there are some, namely in energy, postal services and transport, but for the most part the removal of internal market obstacles hinges on the better implementation of existing legislation.

In order to rapidly increase its competitiveness, the EU ought therefore to focus on implementation and enforcement. Once decisions at the EU-level are taken, Member States have a duty to act accordingly and not to resist until prompted by the Commission or forced into line by the Court of Justice. EU Member States need to change their attitude in this respect and start thinking in terms of the wider European interest instead of merely the national one. The task is not easy, but it is all the more necessary.

The Commission can naturally help Member States see beyond their own lawn. It has to stringently weed out residues of protectionist behaviour when monitoring implementation. Now that EU enlargement has increased the number of Commissioners by one-fourth, it should use its new professional resources to demand efficiency in implementation and to move quickly against those dragging their feet.

The EU needs proper resources to function

In order for the EU to function better for the benefit of its Member States, it needs to be equipped with adequate resources. Considering the strict budgetary discipline of the EU, it is unrealistic to expect Member States wanting to increase the relative GDP-share of the budget. Even maintaining it at present levels is uncertain. Therefore, the best way to increase the EU's resources is by means of increasing the national GDPs of the Member States, and by keeping inflation low.

This means that, for the time being, the very restricted EU budget of just over 1% of total EU GDP has to be used more efficiently in the service of economic growth and increasing competitiveness. For this to happen in earnest, the structure of budgetary expenditure will have to be increased in accordance with the Commission's proposals. Even though agriculture and structural funds are undoubtedly important for the single market, they cannot be allowed to consume their current share of the budget indefinitely.

Investments in education, research and development are essential for Europe's competitiveness. The current EU budget for research and development, about €5 billion per annum, is only slightly greater than that of Nokia, which spends roughly €4 billion yearly on R&D. The Union enables the elaboration of greater and more significant entities than Member States alone. This is how the EU is able to produce added value.

External future – The role of Europe in a global world

The new Constitutional treaty of the EU lays down the basis for a common foreign and security policy. Foreign policy is actually the policy area which progresses the most with the new Constitutional treaty. A new will for the first common foreign policy strategy seems to exist as the concerns of crises have dispersed. New structures will also be put up for foreign policy questions.

The coming External Action Service holds a central role in it by shaping the common foreign policy through its actions. It is of the utmost importance that the service is situated in the Commission of the European Union. We must be wary of all attempts to water down the new service. The service should not in any case be an uncontrollable intergovernmental bureaucracy, which starts to live a life of its own.

How then should the EU foreign policy be shaped? The European Union is a constitutional community of values. These common values should serve as a starting point to the activities of the European Union in global politics. We now have the first common strategy which is a good base to start developing real common foreign policy. The focus of this foreign policy should be in areas of geographical proximity, in aspirant Member States and in current and future neighbours of the union.

Outside the union and its immediate neighbourhood, the strongest alliance in the world, the EU and the USA, should play a strong role in shaping the world. Common values of democracy and freedom mark the transatlantic relations, for which we all should give credit. It is not in dividing, but uniting our powers, that we can make the world a better place to live. Fighting against poverty, defending democracy and advocating human rights are all issues in which we can and must cooperate based on our common values. It is only in free democratic conditions where the economy and citizens flourish.

The European Union also faces new challenges with the emergence of Eastern giants, such as China and India. By no means can their influence in the global context be neglected, not least in their rapidly growing economic importance. By active participation in the economic development of these areas, Europe can secure its global position. However, human rights violations, including massive usage of the death penalty, and a single party political system with oppression of peaceful political opponents, still exist in China. The situation regarding capital punishment is also a problem in India.

In China, demonstrations of faith and religion are still denied. Whatever the price might be, we should not approve of any of these, but rather fight courageously for the liberty of the people.

Regarding the EU, we must note though that an economic giant doesn't become a political giant without sufficient military credibility. The world has

PIIA-NOORA KAUPPI

changed. No State can alone guarantee anymore its safety. Not even the US, the only superstate in the world. New threats to security – organised crime, falling States and terrorism, for example – can only be fought by close cooperation between the States. A Europe of security and cooperation is in the interest of all.

March 2005

Vytautas LANDSBERGIS

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in the European Parliament



Visions and provisions

It would be perfect to have one, clear and firm vision. Sorry, I have at least two. One is very positive, the second – unfortunately, not. But good news have to go first.

Europe did already resolve (to 2020) its special problem and overcome ambivalences of restructuring into Europe. One of versions or shaping itself is named, sometimes, *Europe plus*. The Europe proper – *Europa Propria* – emerged in 21st century, about 2020, as entity containing features of federalism and based on firm solidarity of national states inside.

Europe, as an old western civilization of the Old World, has no more problems – emotional or economical – in dealing with Americas. Those children have been born from Europe, essentially; thus, when both sides of the family are in love again, the sincere respect with aging Mother and her multinational, multicultural wisdom helps all to live in peace with ourselves, as well as with neighbouring Africa and Asia.

The Mother Europe has changed herself significantly, first in a sense of multireligious multiculturalism. She seems, therefore, again younger. European creola, maybe. Since those breaking times, when Middle East preferred finally the peace, as Iran – sound reason, since Russia discovered its files and other knowledge about international organizations of terrorists, thus contributing to stop them and the planet on the edge of an abyss, Europe feels herself even too safe. Anyway, for current times that is good, pictures are painted in bright, optimistic colours. The European music lost some of previous armageddonic hysteria. Diseases are stopped (a little bit left still for not so poor already Africa), and oceans, warmer as before, are going to accommodate those developments. The whales after disasters of 2010, are refusing again mass-suicides on polluted coasts. The beaches are not polluted anymore, so children like to play there. They are not playing (already from 2015) wars, bandits and rapers. After the

VYTAUTAS LANDSBERGIS

Global Law on Human Life was adopted in 2013, no more labs are producing human clones in great numbers. The forests in all continents are under global accountability and responsibility, and post-Christian Europe, after a short period spiritual and physical cannibalism, is getting back again the post-post-post modern future-ancient worship of nature. That does not mean, as predicted, dechristianization in favour of triumphant laicism. In contrary, divine fundament of human life is recognized in much more sophisticated generalisation. The nature which gives us the life, is essentially good; the good God acts via nature; therefore, the nature is appreciated being Hand of God, careful or punishing. After severe punishments, the mankind, especially Europe, is now much wiser. Therefore Europe plays now a leading role in all aspects, both pragmatic and spiritual, of global environmentalism. After Christians, Jews and Muslims finally recognized their common grounds as believers, this gross entity prevails on lessening numbers of materialist – consumerist and egoistic non-believers. The philosophers are talking more and walking more, not just sitting and writing, thus such a development of culture brings again positive influence into general, more natural mentality of a mankind.

The latter feels anew given a chance to survive some centuries more.

Bad news, of course, are different.

Europe's unification remains unresolved and controversial issue in 2020. The Constitution for Europe took five years and a lot of additional work to be adopted. This way, the previously intended "federalist" approach was put aside, and the concept of sovereign states united on principles expressed in advance in European conventions, as well as in the national Constitutions, prevailed. Unity now is based on cooperation in trade and defence (from military and ecological threats), not more. At the same time splits went increasing about external relations with the USA, Russia and Africa, as well as on different valuation of speed and reasons in loosing Europe's identity. Especially, the last events in the European East brought new challenges, but also more solidarity again. After the third collapse of Russia, while Asian (trans-Ural) parts of it turned towards approaching China, the European Russia (Moscovia) issued urgent quest, together with promises of democracy, to merge the EU. The latter, considering the desire of Russia, began to negotiate with China on the establishment of the Ural range as division between the two zones of direct interest.

Mixture of post-Christian non-believers and Muslim believers in Europe proper did not bring any real consolidation, on the contrary, conflicts on racial and religious ground became obvious. When it will cause the mass-clashes on all-European scale, can be expected everyday. In provision that the latter will cost tens or hundreds of thousands lives, thus requiring demographic compensation, the artificial fabrication of human beings in generic labs jumped to the ranks of the soaring, state supported industry. Very important line in these scientific developments appeared an ability to strengthen genetically the "new-

VISIONS AND PROVISIONS

men" against previously experienced sentiments, dreams and emotional love, which is reduced to practices of sexual partnership. Family institution is treated as outdated (by post-Christians, not Muslims) and, because reproduction of homo sapiens (or thinking primates) is more and more industrialized by widespread cloning etc., the request of human males is falling down. Among the women in poor countries the newest promising profession appears to be the production of eggs and embryos.

While warning about warming was practically neglected, despite protocols and conventions, the oceans became to grow. Therefore European countries, having great cities or even capital cities as seaports, are planning (somewhere in a hurry), to build the immense dams to preserve their cities-concentrated civilization.

Under the whip of mass-murder deceases (some of them having been introduced deliberately to prevent demographic blow and revolt of poor continents against such as Europe) and cruelty of global terrorist structures, coming already near to full international dictatorship, the desperate populist believes in cosmic saviours or alleged chances for space (cosmic) emigration from that crazy planet are flourishing and do create a lot of new enormous sects. Being disunited, they are helpless, facing forthcoming decrees of the Central World Authority, proclaimed by the Union of World Terrorism. Many Europeans appeared to be ready for that pragmatic surrender, leaving the stubborn US for its own destiny.

Finally, when that terrorist Somebody knows what to do, the pessimistic mood is cracked by new hope and seems immediately turned to be the optimistic one.

Therefore, there are no reasons today to be pessimistic about Europe around 2020.

March 2005

Wilfried MARTENS

President of the European People's Party



The future of the Lisbon Strategy: Committing Europe for growth

"To share wealth equitably, it must be first created."

Adam SMITH

In the last 50 years, European unification has not only led to a period of peace and peaceful conflict resolution on our continent never before experienced, but is also an excellent example of the creation of prosperity by means of freedom of movement and open markets. The success story of European integration has made it possible for Europe, through economic power and prosperity for all, to become one of the strongest regions in the world.

In the wake of globalisation, however, other regions in the world have also become significant global players over the past few decades; many of these have developed faster than the European Union, particularly in the decade gone by. This has brought to the forefront new challenges for Europe.

For example, the European Social Model needs to be reformed thoroughly. The values of the European Social Model (performance and social justice, competition and solidarity, personal responsibility and social security) remain relevant in conditions of globalized markets and rapid changes in economic life. The challenge is to combine powerful new market forces with humanity, economic dynamism with social responsibility. Yet, prosperity cannot be distributed and social justice cannot be executed if our societies are not part of a dynamic economy, capable of adapting in an increasingly competitive global market.

At the same time, the aging of our societies and the overall demographic development clearly show the need to create a more family-friendly environment and in particular to better allow men and women to work and have children at the same time.

WILFRIED MARTENS

The Lisbon Agenda, decided in the year 2000, contains good starting points for reforms to create more jobs in Europe and safeguard our prosperity. Yet in numerous Member States there is considerable resistance against many social system and labour market reforms. It has clearly been shown that those States that tackled reforms early on are visibly in a better position than those unwilling to reform.

Today, the Lisbon Agenda is one of the major priorities for the new Commission, headed by President José Manuel Barroso. President Barroso recently announced the *'Growth and Jobs' Strategy* and, not surprisingly, is in the spirit of the longstanding EPP proposals for the revitalization of the Lisbon strategy. This new strategy is particularly reassuring since it brings to the forefront the core issues, namely growth and jobs, which are the necessary tools to achieve Europe's goals. Moreover, Prime Minister Juncker, heading the Luxembourg Presidency, has also included the Lisbon Strategy as one of his priorities.

Therefore, in order to achieve our common goals and to meet the challenges of prosperity and the proper functioning of a modern European social model, both the EU and the Member States must jointly become engaged in this process. The governments most successful in delivering to Europeans prosperity, growth and employment, are those which are most capable in taking bold actions and reforms. An agenda of reform is, therefore, necessary to move forward.

Unfortunately, the current performance of European economies with regard to growth and employment is rather disappointing. Many regions in the world are developing faster than Europe, notably the United States, Asia but also many other OECD countries. We need more flexible labour markets and life-long learning; we must improve work force mobility and reduce labour costs. The reduction of red-tape and bureaucracy has to be a key element to encourage entrepreneurship and to create new employment. The technological divide between us and other leading competitors is not narrowing – quite the contrary, it is widening.

The European People's Party is committed to do everything possible to implement the measures agreed in Lisbon as much as possible – both at European and at national level. As the biggest political force in Europe, we will be devoting our strength and attention to this issue in the coming months and years. We feel obliged to make Europe fit for the future. Growth generates employment and prosperity. Only through bold reforms will it be possible to safeguard and strengthen Europe's role in the world – and with it prosperity and efficient and affordable social security systems for all.

Europe has proved its capability for powerful reforms and new ideas in the past. Now it is time to concentrate our efforts on reforms for the creation of more growth and employment. Only strong and reformed societies in Europe will safeguard a secure income for everyone.

THE FUTURE OF THE LISBON STRATEGY: COMMITTING EUROPE FOR GROWTH

In order to accomplish the Lisbon goals it is clear that growth in Europe demands more political will, leadership and results. Yet, the goals set at the Lisbon Council have not been priority issues on the European and national levels.

It is true that the Lisbon Strategy was partially based on wrong assumptions about future economic growth. But limited economic growth is, in most cases, just an excuse. The EU members have not been fully committed to the Lisbon Process and have failed to implement what was originally agreed. One obvious exception is the successful reform model of social market economy implemented by the two successive governments of José Maria Aznar in Spain.

The European People's Party has worked long and hard in re-visiting the Lisbon agenda and reviewing the Lisbon Process for improvements. This work was submitted well in advance of the publication of the Commission's high level expert group report, chaired by Mr. Wim Kok, in order to contribute to that debate and to the upcoming mid-term review of the Lisbon Strategy.

Many of the proposals of the Kok report were similar to that of the EPP. The Commission's high level expert group made the correct analysis, but many of the necessary key recommendations were poorly presented.

The basis of the EPP recommendations is competitiveness, i.e. laying out a sound basis for enterprise and innovation. Competitiveness must become the overriding policy principle for all economic policies.

Another core issue in the EPP recommendations is employment, with priority to greater flexibility of labour markets; a social partnership for employees, their education and training, their trust in a high level of social security.

The EPP demanded, prior to the Kok report that the EU Council and the EU Commission communicate and analyse specific EU member-state goals. This is necessary in order to better emphasise the individual responsibility of each EU Member State.

Nevertheless, actions must be concrete, not superficial. Only by concentrating on the core issues of the Lisbon Agenda, which are the creation of new and better jobs through growth, competitiveness and modernisation of our societies, can we truly succeed.

The EPP is obligated to openly state that the European Union and its Member States have not stuck to the Lisbon plan. But this does not, in any way, mean that we abandon the Lisbon Process. Now, more than ever, we have to double our efforts. What is at stake is the prosperous future of our people and the European Model.

We should also continue to strictly adhere to the commitment of the Stability and Growth Pact. Clearly, the Pact is essential in sustaining a healthy economic outlook. Any attempt to justify the failure to respect the Stability and Growth Pact because of the efforts needed in accomplishing the Goals of the Lisbon Strategy is unacceptable.

WILFRIED MARTENS

Needless to say, the EPP will continue to contribute to the Lisbon process and to support the efforts of the new Commission, led by President Barroso, for the successful implementation of the Lisbon Strategy.

Our on-going proposals will be based on the following positions:

1. Motivate the enlarged Europe to accelerate the pace of economic reforms and increase competitiveness.

2. Re-confirm and re-balance the Lisbon Strategy in order to renew the EU Member States' commitment. Concentrate and focus on the Lisbon Agenda's key elements.

3. Put the emphasis on:

- competitiveness, to become the overarching policy principle for all economic policies;
- employment, with priority to greater flexibility of labour markets;
- social partnership, the motivation of employees, their education and training, their trust in a high level of social security and their feeling to be part of their enterprise in order to increase productivity and to create more jobs.

4. Accelerate all necessary structural reforms, as the core activities of the EU, in order to regain the highest level of competitiveness and to increase growth and employment.

5. Commit individual Member States to the commonly agreed goals on reforms.

6. Adhere strictly to the commitment of the Stability and Growth Pact, and improve its future enforcement by conferring increased powers to the Commission within the Pact's surveillance and decision-making mechanisms.

7. Release the job-creation potential of SMEs and start-ups using instruments proposed by the EU Commission, particularly through:

- the reduction bureaucracy both nationally and at the European level;
- the reform of personal and corporate tax systems on a national level, by drawing on experience which has worked for SMEs and start-ups elsewhere;
- the reform of taxation systems in such a way that it also allows SMEs to build up long-term savings deposits.

8. Complement the employment strategy by:

- urgently removing disincentives that stop people, in particular women, from working;
- actively investing in day-care facilities for children to enable a broader range of people, in particular women, to enter the labour market;
- the creation of 'family-friendly' environments which help young families to combine work and their wish to raise children;
- a better managed migration policy that should respond to the labour market needs and improve the integration of immigrants.

THE FUTURE OF THE LISBON STRATEGY: COMMITTING EUROPE FOR GROWTH

9. Reform the European Social Model because to encourage employment and growth:

- reforms must be undertaken on an urgent, ongoing and socially acceptable basis to keep social security systems financially viable in the long run;
- in general, the reform of social protection and social security systems has to take into account all characteristics resulting from the new work patterns.

10. Improve framework conditions for public and private spending in Research and Development.

11. Improve the financing of universities and reinforce post-graduate studies.

12. Strongly support the EU Commission's efforts to create a more entrepreneur-friendly environment by conducting entrepreneurship awareness campaigns, fostering the creation of more fast-growing enterprises (gazelles), promoting entrepreneurship in social sectors, enabling micro-enterprises to recruit by reducing the complexity of regulations and facilitating SMEs' access to public markets, reducing costs and efforts to start businesses, reinforcing the culture of entrepreneurship in Europe and facilitating start-up business access to finance.

13. Take into account the needs of a knowledge-based economy by reforming the educational and vocational training systems, including entrepreneurial education for the youth.

14. Pursue a sustainable development strategy, which utilizes the contribution of research in new technologies on energy efficiency and a cleaner environment and give added value to competitiveness.

Ultimately, in order for the Lisbon process to truly succeed, it must necessarily be accepted by European societies. It is the duty of everyone engaged in this process to properly communicate to Europeans the importance of Lisbon and the significant economic, social 'dividends' for everyone. The success of the Lisbon process should be the common goal for all Europeans in order to secure a Europe for all.

February 2005

Jaime MAYOR OREJA

Vice-Chairman of the EPP-ED Group in the European Parliament
and Head of the Spanish Delegation



Europe: A story of freedom

It is easier to find a needle in a haystack than it is to come up with a good definition of Europe.

At heart, Europe's story has been one of wide-ranging conflict, in which all the countries have at some point been at war with one another. That makes it very easy to understand why the driving force behind the Union is, above all else, the search for lasting peace and balance of power, going beyond exclusively national ideas and establishing a common project directed towards good government and the socio-economic well-being of its peoples and citizens.

Europe is yearning for two marvellous dreams: harmony and progress. The architects of the project have long known that for progress to continue in the right direction, the time has come to go beyond the niggardly concept of a Europe seen merely as a single market. The Union already aspires to be far more than that. Hence our latest efforts have been geared, above all, to defining certain common values capable of shaping the moral identity characteristic of a geographic, cultural and historic territory in which, thank God, there are no longer any visible walls dividing us into good and bad. Similarly, in the field of politics the idea of the merely national needs to be replaced by the idea of the supranational and in the field of values it is imperative to place human rights and dignity before the right of States.

In the future, the success of the process of European integration will be measured by the effort the Union makes to safeguard respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities, in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail (Article I-2 of the project of the Constitution for Europe). These values define the European identity; they constitute its identity. The Union is no longer an ordinary international organisation with economic aims, but, above

JAIME MAYOR OREJA

all, a community of values. And its *raison d'être*, after centuries of wars across the continent, is 'to promote peace [...] and the well-being of its peoples [...] in an area of freedom, security and justice without internal frontiers' (Article I-3 of the project of the Constitution for Europe). If in the next few years Europe is not capable of responding to the many different factors of instability and insecurity that threaten the hope of millions of European citizens of living in peace and freedom, we will have failed in the common project, in the shared yearning, to guarantee a prosperous future to the generations of today and tomorrow. Because prosperity is not just the success of an economic project. We must not allow the idea of progress to be reduced to a strictly technical and material dimension which, apart from other drawbacks, leaves the whole field clear for the value systems of other civilisations to advance. Not a few voices are beginning to warn us, rightly, that the renaissance of Islam is fed in part by the awareness that it can offer a solid spiritual foundation which fills the void being created in this area in Europe.

For many years, democratic socialism was close to the Catholic social doctrine. It was the party of English and German Catholics. But, with the passage of time, its ecumenicalism gave way to the temptation to erect a lay religion, finally embraced as its own, which places the idol of technology on its high altar, to be universally worshipped. In this religion's creed, the operation of material conditions guarantees the happiness of all. Everything directed to this end is moral and any independent values which might put it in peril are declared suspect. The individual must be subordinate to the needs of the system and is obliged to sell his birthright for a mess of material progress, for a helping of this future of scientific perfection, which has already become the only divinity of our time.

It is a mistake to think that religious ideas, ethical values and spiritual principles belong only to the realm of feelings and not to that of reason. Discussion of them needs to acquire public relevance. Anything else would lead us to the absurd conclusion that the values that have shaped Europe's identity are done with and drift with the tide, splintered and scattered, like the remains of a shipwreck.

This is the context that gives the idea of making international peace, security and stability the European Union's basic objectives its full meaning, so that we, the citizens of Europe, can present ourselves to the world not only as an example of the success of an economic project, but also as protagonists and beneficiaries of a common area of freedom, security and justice. Now, in a future European Union of 30 Member States, where there will increasingly be more 'small' countries and the decision-making capacity of the large will steadily decline, the way the battle is waged against the dangers which assail our common interests will have to depend on the political will of all.

For Europe, each stage has generated new expectations which have been fulfilled through greater degrees of integration. From its beginnings, European

EUROPE: A STORY OF FREEDOM

integration has been firmly rooted in the commitment to freedom, sustained in the defence of human rights, bound to the creation of democratic institutions and pledged to scrupulous respect for the rule of law. The future implementation of the Constitution for Europe, which covers 'Communitisation' of the third pillar relating to police and judicial cooperation in criminal matters, provides an unbeatable opportunity to bring to fruition an effective European response to the new common problems.

Since the attacks of 11 September 2001 and 11 March 2004, it goes without saying that the new great danger threatening Europe and the western world is Islamic terrorism. Never has coordinated effort by all democratic states to safeguard security within and beyond their borders been more vital than at this time. Everyone is well aware of the complexity of this task. That is why a strong and consolidated anti-terrorist policy is a priority. Only a consistent putting forward of our common interests and steadfastness in defending them will generate the credibility and relevance of this shared project: reunification of Europe in the service of peace.

The struggle against terrorism requires that specific measures be adopted to put an end to each of the groups feeding it, because – although they all share the determination to destroy fundamental human rights – each of them has different motivations, strategies and ways of operating.

The mobility of people, the right to security, to freedom of thought, expression and information, to equality before the law, or to the obligation on the European institutions to alleviate the harm caused to individuals, are among the realities intrinsically associated with the right to freedom. But we should remember that no rights are unlimited. The right to freedom needs to be established in places where unlimited freedom is used to destroy freedom to the benefit of ideologies hostile to freedom. The media report on terrorist attacks, and as people look with horror and indignation on the devastating consequences, the apparent impunity of those suspected of having committed such atrocities frequently provokes feelings of powerlessness. In the fight against terrorism it is therefore fundamental to mobilise awareness and promote an effective communications policy, so that the citizens of Europe may perceive the existence of a European political project to combat this massive and constant violation of human rights.

The Union's best measures for fighting terrorism deserve particular attention in the information and communications strategy of the European institutions. That was what happened at the time with the European arrest warrant, and that is what should happen with equivalent initiatives adopted to put an end to this destructive force currently instilling fear into millions of people all over the world. This aspect of communication is fundamental because, when a terrorist attack occurs, the two-fold crisis of human tragedy and loss of confidence in democratic institutions can be avoided only if preventive action has been taken

JAIME MAYOR OREJA

and if society has perceived this to be the case. The solutions cannot trail along after the attacks. Information, prevention and the political project must be the outcome of prior debates of which all the citizens of Europe have been made aware.

Besides, the fact that the European Union is a project with a clear humanistic vocation should spur us to ensure that due recognition is given to the victims of terrorism. In this respect, the European People's Party considers it necessary to adopt the following measures:

- The creation of a European office within the European Commission to assist victims of terrorism.

- The creation of a European foundation for victims of terrorism, with the President of the European Commission, the President of the European Parliament and the President of the Council on its board.

- The inclusion of the crime of terrorism within the category of crimes against humanity, under the jurisdiction of the International Criminal Court.

Illegal immigration and trafficking in persons are phenomena closely related to terrorism and organised crime. All these facts endanger the security and stability of our societies in an unacceptable way. It is our duty to take strong action against these threats if we aspire to offer citizens a safer society. In the field of security, the European Union provides clear added value in comparison to isolated action on the part of each individual Member State and, consequently, the European People's Party must work to bring to fruition the common immigration policy that came out of the European Councils of Seville and Salonika, Article III-267 of the Treaty establishing a Constitution for Europe and 'The Hague Programme'. EU coordination of extraordinary procedures to regularise illegal immigrants is necessary to prevent unilateral initiatives being taken, as has happened recently in certain Union countries, without authorisation from the EU institutions.

The European Commission Green Paper on managing economic migration recognises that 'decisions to admit third country nationals in one Member State affect others (right to travel within the Schengen area, to deliver services in other Member States, to move to other Member States once long-term residents status has been acquired; impact of the admission of third country workers on the EU labour market)' and that 'the EU has international obligations in relation to some categories of economic migrant'. The European Commission therefore believes that there is a clear case for agreeing transparent and more harmonised common rules and criteria at EU level on admitting economic migrants.

Of course, this is not a case of turning our backs on any culture. We must be open to all, but without losing sight of the core of our own identity. Sadly, the multiculturalism which some promote with so much passion has turned into an act of renunciation of what is our own. To hear them talk it would seem that opening up to other values has ceased to mean a positive effort of understanding

EUROPE: A STORY OF FREEDOM

and enrichment, and become a headlong flight or perhaps the result of the process of self-destruction typical of someone who has stopped loving himself. I have here irrefutable proof: in today's society, anyone who offends the Jewish faith or incriminates the Koran is punished; on the other hand, anyone who mocks Jesus Christ is paid great homage whilst the intellectuals enthusiastically trumpet their hymn to freedom of expression.

Our story, a story of commitment to building a continent in peace, in freedom, prosperous, respectful of human rights, cohesive and expressing solidarity, within and outside its borders, drives us, morally and politically, to stand up to the new threats, but above all to build an effective response in which the action of the rule of law and of the forces of security and justice is upheld, without losing sight of the fact that what is at stake is the safeguarding of the very values of the essential identity of Europe. Opening up to other cultures cannot be made grounds for tolerating totalitarian principles which, camouflaged behind the veil of other religious principles, threaten to do away with tolerance itself. The response to this challenge will be effective only if it starts from sincere European and international cooperation and, of course, from genuine commitment to and solidarity with the victims of terrorism. The profound desire of millions of citizens to see the end of terrorist totalitarianism should not be regarded as just another option, but as an urgent necessity. There is no doubt that the next few years will be decisive years.

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Europe in 2020

Defining the factors which shape Europe's identity today is neither simple nor easy, let alone giving a vision of Europe in 2020. Clearly just another subjective utopia is not the point here; the task is to provide as accurate as possible an indication of developmental trends in the light of what currently contributes to the concept of a European identity.

In its civilising dimension, as a union of history, tradition, culture and a set system of values, Europe is not a static reality which is completed and established once and for all time. It is a dynamic reality which is continually developing, coming into being and constantly restructuring while nevertheless remaining itself; it retains important values and marks which distinguish it from other forms of civilisation. In the consciousness of Europeans, which is one of the important determinants of identity, Europe therefore remains the same, and yet not the same, and that is why there is every reason to ask the question of what its future identity is to be¹.

The preamble to the Treaty establishing a Constitution for Europe defines Europe as a reality that is 'united in its diversity'. It is hard to deny that Christianity with its system of values is what has given Europe its characteristic unity of civilisation. Christianity has succeeded in assimilating and drawing together a sense of human dignity, liberty, respect for law, elements of Ancient Greece, Roman law and Judaic spirituality, together with the virtues of humanism and the Enlightenment.

Since the time of the Enlightenment, there has, however, been an internal tension between the inspiration of Christian European culture and the position of lay humanism. The clash between these two tendencies has made itself felt in the latest reflections concerning the future of Europe. One tendency ties in firmly with the Christian system of values out of which Europe grew; the other is inclined to perceive the future in a post-Christian Europe. One indefatigable

HENRYK MUSZYŃSKI

defender of the former vision is John Paul II. A diametrically opposite view, in the name of a specifically understood laity (*laïcité*), is represented by the authors of the Constitutional Treaty, and particularly Valéry Giscard d'Estaing.

1. Vision of Europe in the light of the ideological principles of the Constitutional Treaty

The vision of Europe held by the authors of the Constitutional Treaty, as demonstrated by the axiological principles set out in the preamble, is vastly optimistic. This is a Europe that is 'united in its diversity', that 'intends to continue along the path of civilisation, progress and prosperity, for the good of all its inhabitants' and that is 'open to culture, learning and social progress'. It respects difference and variety among individual nations, and also brings together nations who are 'proud of their own national identities and history', who have 'decided to transcend former divisions' and to 'forge a common destiny', 'united ever more closely' than hitherto. The source of inspiration to achieve this future is 'the cultural, religious and humanist inheritance' of Europe, based on 'inviolable and inalienable rights of the human person'. The consequence of this is 'freedom, democracy, equality and the rule of law'. Respect for the rights outlined above and responsibility 'towards future generations and the Earth' are to make Europe 'a special area of human hope'.

Such an optimistic vision of Europe easily evokes acceptance, even rapture. But deeper reflection on it prompts serious doubts: are the motives and sources of inspiration outlined above sufficient to see this vision turned into reality? Among cultural elements, there are also religious values. In the context of European civilisation, these may and indeed must be allied to the Christian tradition. The presence of living witnesses to Christian belief in Europe gives grounds for hope that through their testimony these values will continue to be present in a future Europe.

The solemn declaration of a humanist inheritance and freedom without reference to the inspiration of Christianity and ethical values stirs a justified apprehension that this statement will not proceed beyond the status of declaration. True freedom must always have a relation to truth, including objective truth concerning the dignity of man, and to fundamental ethical values. If it does not, freedom for some may become slavery for others. An eloquent illustration of this is provided by the most recent history of the 20th century, where the most fundamental human rights were eradicated in the name of a lunatic ideology.

This same history also warns that rationality as the sole criterion for a purely human evaluation is not enough to guarantee 'inviolable and inalienable rights of the human person' for man when he makes himself the sole reference point for all values. Experience of the post-totalitarian period also teaches us that these

EUROPE IN 2020

norms are not adequately guaranteed if one man asserts a claim to make decisions concerning the life of another man, thus depriving him of the most basic and inalienable right to life. In this instance, these rights do not possess any real guarantee of ever being respected. For Christians, who continue to constitute the most numerous faith group in Europe, God will always remain the final point of reference and guarantor of dignity. Depriving Europe of this point of reference means a substantial impoverishment of a European tradition that goes back many centuries.

It is worth making the point that in this respect the Polish Constitution is much more thorough and – as it would appear – also more democratic. This is because it takes account both of believers, for whom God is *the source of truth, justice, good and beauty, as well as those not sharing such faith, but respecting those universal values as arising from other sources*². The basis for equality of rights understood in this way is not only tolerance of other people in their diversity and variety, but also respect for them even when one fails to share their hierarchy of values.

Doubts of this kind are also prompted by the declaration that ‘the peoples of Europe are determined to transcend their former divisions and, united ever more closely, to forge a common destiny’. This requires deeper ethical motives of truth and good to be drawn upon. This vision can only become a reality when genuine reconciliation comes about between peoples, which will make it possible to build a true community of peoples. In this regard the role of the Catholic Church, as a universal institution working towards reconciliation and the building of a spiritual community between people, is hard to overstate or replace. Reconciliation is, after all, the main mission of the Church, to which it has given expression on many occasions in recent decades.

2. Europe as a community of the spirit

The most important question where the future of Europe is concerned is: what will provide a Europe that is ‘united in its diversity’ with the motives for spiritual unity? What will constitute the spiritual ingredient, something that is stronger, more durable and more resistant than any of the conflicts that are today rending Europe from within?

In the past – and surely no-one will dispute this – the spiritual glue that gave Europe its oneness among the multiplicity and variety was in fact Christian civilisation with a unified system of values based on the commandment of love and the decalogue. Even when these criteria were not universally respected, no-one questioned their essential value as an important constituent of European culture and civilisation. The hugely important question of the foundations for European unity cannot go unanswered. For if the motives of community that bind the nations of

HENRYK MUSZYŃSKI

Europe are not stronger than the divergent interests and antagonisms, of which there is, after all, no lack, the conviction of these nations who are 'proud of their own national identities and history' may easily mutate into a dangerous nationalism. It is hard to dispute that a proud awareness of one's difference and identity is still stronger and more durable today than the striving for a common future.

In his message on a programme for Europe, John Paul II said: 'There will be no European unity until it is based on unity of the spirit'³. True unity always comes into being in the interpersonal sphere and cannot be restricted merely to the setting of common tasks and aims; it must strive towards bringing these aims about on the basis of values accepted in common. Jean Monnet got it right when he said: 'Our task is to unite peoples, not States'. As fundamental values for a future European democracy, the preamble identifies freedom, equality and the rule of law. It is not hard to discern in this a clear allusion to the well-known trinity *liberté, égalité, fraternité*. Sadly, *fraternité*, which, like the other constituents of the trinity, derives its content from Christianity, is missing. For believers, *fraternity* inevitably brings to mind the idea of God as a common Father. The French Revolution appropriated to itself these fine and deeply religious ideals; but it removed from them their original Christian inspiration. The substitution of 'fraternity' by 'the rule of law' means a real impoverishment of content. The law may only be used to enforce a minimum of correctness; it cannot be turned into a source of inspiration to bring good to pass and stimulate involvement in the building of a true unity.

The content of the preamble is inspired by the belief that a united Europe 'intends to continue along the path of civilisation, progress and prosperity' and 'to be a continent open to culture, learning and social progress'.

In the face of the virtually unlimited potential that the development of science provides today, there is also a need to respect fundamental ethical values. Progress in medical sciences, particularly biotechnology, without reference to the inviolable value of human life, may become a fatal threat to mankind. Such progress could mean damage to the dignity of man, as the highest created order, and bring *about the possibility of his instrumentalism*⁴.

The proclamation of unlimited progress without acknowledgement of the basic fact that all true progress begins with improvement and some new quality in man, which we believers simply call 'conversion', gives rise to serious concern over whether there will be a 'peaceful future' for Europe. One does not have to share the opinion of the political scientist Francis Fukuyama that uncontrolled biogenetic experiments mean the 'end of mankind'. But there is no doubt that an uncontrolled biotechnical revolution with no regard for individual and unitary human dignity, without reference to the basic values of human freedom, good and truth, with a lack of due legal regulation, may constitute a greater threat to the identity of man (bio-terrorism) than the atomic bomb⁵.

It is difficult to imagine ecology, in its broad sense, without ethical respect for the fundamental laws of nature, which for believers are the work of the Creator. There is a justified concern that, in the absence of a deeper ethical motivation, even the best legal standards will not hold back, for example, the predatory exploitation of natural resources, motivated by a greed for greater material profit.

3. Anthropocentric humanism or Christian universalism?

The basic choice for a Europe of the future always comes down to the fundamental concept of man as the sole and exclusive point of reference for all values, or to the biblical concept in which the dignity of man arises out of *the image and likeness of God* (Genesis 1:27), who is the final guarantor of man's inviolable and inalienable dignity. These concepts, which have existed in philosophical thought since time immemorial, are currently acquiring a particular piquancy. But does it follow from this that in the 21st century we, as people – in the name of the dignity of man – are condemned in advance to fight among ourselves?

The fundamental anthropological difference in understanding the nature as well as the place and role of man inevitably leads to a perception of a diametrically different vision of the future of Europe. Faithful descendants of the Enlightenment epoch see the future in exclusively lay terms. Man is the only point of reference and the sole criterion for evaluating truth and good. This stance has not unreasonably come to be called anthropocentric humanism.

The diametrically opposite stance is represented by Christian humanism, for which the ultimate condition for inalienable and inviolable dignity of the human being is God. This dignity does not originate from any charter; each person receives it by the very act of being born. As a free entity and as the sole entity capable of love, man is a sort of visible icon of the eternal God.

Hans-Gert Poettering is right when he says: 'being made in God's image means that man has an inalienable dignity. If man is a unique entity we must not reproduce him. If human life possesses value in and of itself, we must not create human life, in order subsequently – regardless of our intention – to return it to death⁶'. In a paradoxical way, 'man is impoverished by what he has achieved. By not setting himself higher aims, he is deprived of the potential for further development⁷'.

The question therefore arises as to whether, at a time of searching for a broadly-conceived good for mankind – in the conviction that what is God's cannot be in opposition to what is truly human – it is not possible to bring the two positions closer together.

Opponents of religion very often point to religious wars, and also to wars within the bosom of Christianity itself, which have been waged in Europe.

HENRYK MUSZYŃSKI

Obviously it is hard to counter this argument. But it should be borne in mind that if we do not succeed in bringing closer together the positions of those who engage in the struggle for human dignity based on premises that differ, and are quite often actually opposed, we may be facing a war that is potentially more than just a battle between religions – a war that concerns the very nature of man.

Is there anything that links the two concepts ‘man made in the image and likeness of God’ and a man ‘who is the measure of the universe’? – asks Prof. Bronisław Geremek – and he replies: ‘The first formula is the formula of thinking about God and with God. The second is the formula of thinking without God, but not against God. But both formulae are expressed through the principle of the dignity of the human person⁸⁾’.

Such a reconciliation of the two opposing personalistic stances is possible, but only when one acknowledges that human life is the highest value, a value which is inalienable and stems from the very fact of being a person. Second to this one must also accept that human freedom is not unlimited, but ends where the right of another person begins.

Many centuries of experience down the generations, as well as in very recent times, provide the lesson that if we throw out the commandments of the first tablet of the decalogue, which define the relations between man and God, man will make for himself an idol, in the form of ‘race’ or ‘class’, which he is prepared to serve. Ahead of moral ‘responsibilities towards future generations and the Earth’, as it is proclaimed in the preamble, all people must place responsibility to one’s own conscience. For believers, however, the main point of reference in this respect must be God.

For all those for whom ‘human hope’ is sufficient, the main motive for action must be the good of man, broadly understood, based on a lasting moral foundation, the laws of which are written in every unadulterated human conscience. They are to a large extent defined in the second tablet of the decalogue, which embraces universal values that are respected in many different religions. The universal conviction is that:

- human life is the greatest good, and killing is evil;
- truth builds, lies destroy;
- respect for property is the basis of social order, and theft disrupts this order and deserves censure;
- marriage between a man and a woman is the surest guarantee of the maintenance and development of every society – marriage breakdown is the source of many misfortunes.

Righteous human conscience may provide a lasting support, a meeting place and an effective stimulus for participation for the good of mankind, and this is so both for those with profound religious convictions and for non-believers.

EUROPE IN 2020

In a paradoxical way: 'Forgetfulness of God led to the abandonment of man, and it is, therefore, no wonder that in this context a vast field has opened for the unrestrained development of nihilism in philosophy, of relativism in values and morality, and of pragmatism – and even a cynical hedonism – in daily life' (Apostolic Exhortation *Ecclesia in Europe* 9).

Despite the absence of Christian values in the preamble, most Europeans are still Christians. They wish to play an equal part with others in shaping public life. The Charter of Fundamental Rights asserts that 'everyone has the right to freedom of thought, conscience and religion', both privately and in public life (Title II, art. II-70, 1). Christians, on an equal footing with others – in their sense of responsibility specifically for the future of Europe – have a desire, while respecting order and democratic procedures, to use the power of their testimony to help shape the future of Europe.

The role, tasks and place of Christians in the Europe of the future are set out in the Apostolic Exhortation *Ecclesia in Europa*, which constitutes the great charter of the Church in Europe. It is an invocation directed first and foremost at Christians themselves, at a qualitative spiritual transformation in them, to enable them to radiate an evangelical spirit and, by their testimony, to bring the inspiration of the Gospels into all areas of cultural, public and political life. This is, therefore, not a matter of imposing Christian values on anyone, but is to do with Christians making their presence felt through the testimony of their life. Christians do not wish to be second-class citizens. They feel themselves to be still needed in Europe, not just to nurture the Christian heritage under changing conditions, but above all to instil into Europe specific Christian values, without which the common European home cannot be built. These include:

- respect for every life from birth to natural death;
- promotion of the idea of reconciliation;
- promotion of the concept of freedom, as a service in the name of love, which was implanted in Europe by St Paul the Apostle;
- continuity of the family, as the foundation for social life;
- Christian hope flowing from the resurrection.

'Human hope' as a foundation for the future is too short term to allow a far-reaching future to be built upon it. It is the hope for a job to be provided, for a better life, for prosperity and security. One could hardly fail to notice that 'at the root of this loss of hope is an attempt to promote a vision of man apart from God and apart from Christ' (Apostolic Exhortation *Ecclesia in Europe* 9). Without hope there is no future. A lack of deeper and more lasting hope means that we fear the future more than we desire it. *The Church has to offer Europe the most precious of all gifts, a gift which no one else can give: faith in Jesus Christ, the source of the hope which does not disappoint* (Apostolic Exhortation *Ecclesia in*

HENRYK MUSZYŃSKI

Europe 18). This hope, based on faith in the resurrection of Christ, in no way cancels out profoundly human expectations. The lack of this far-reaching perspective, which has been a support for Europeans over the ages, does, however, signify a major impoverishment for Europe. John Paul II reminds us that Europe 'must be built on solid foundations and based on authentic values grounded in the universal moral law written upon the heart of every man and woman' (Apostolic Exhortation *Ecclesia in Europe* 116). This universal law written in every unadulterated conscience is a solid foundation, a support and a meeting-place both for those for whom 'human hope' is enough, and for those who derive deeper motives of hope from participation in the victory of the resurrected Christ *alive* – as we believe – among us (see Col 1:27). For us Christians, this means both a radical return to Christ – the Source of all hope, while at the same time constituting the most profound motive for participating in and working to build a lasting moral and social order for current and future generations.

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¹ P. HÜNERMANN, *Die christlichen Wurzeln europäischer Identität*, in: *Europa. Zadanie chrześcijańskie* [Europe. A Christian Task], Warsaw, 1998, p. 88.

² See Preamble to the Constitution of the Republic of Poland of 2 April 1997.

³ John Paul II, Homily delivered in Gniezno, 3 June 1997.

⁴ P. LIESE, *Nauka i medycyna a chrześcijański obraz człowieka* [Science and Medicine, and the Christian Image of Man], in: *Scenariusze przyszłości. Co chrześcijanie mają do zrobienia w Europie?* [Scenarios for the Future. What have Christians got to do in Europe?], Gliwice, 2004, p. 61.

⁵ F. FUKUYAMA, *Koniec człowieka. Konsekwencje rewolucji biotechnologicznej* [The End of Mankind. Consequences of the Biotechnical Revolution], Kraków, 2004, p. 17-18.

⁶ H.-G. POETTERING, *Von der Vision zur Wirklichkeit*, Bonn, 2004, p. 115.

⁷ A. SZUDRA, *Koniec człowieka. Konsekwencje rewolucji biotechnologicznej* [The End of Mankind. Consequences of the Biotechnical Revolution], *Więź* 10(2004)134.

⁸ B. GEREMEK, *Czy demokracja może być totalitarna?* [Can Democracy be Totalitarian?], in: *Scenariusze przyszłości* [Scenarios for the Future], Gliwice, 2004, p. 50.

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Europe as a community based on values

What is Europe? This supposedly simple question remains unanswered more than 50 years after the first European institutions were established. The truth is that Europe has a number of different dimensions.

Europe is not the same as the European Union, even though they are often equated with each other. Europe is first and foremost a geographical entity, and secondly an area with a common culture shared by different nations which are linked by their history, their religious heritage and their culture.

The European Union, on the other hand, is a political project which emerged from the destruction caused by the Second World War. The EU embodies the realisation that lasting peace and prosperity can be achieved only by uniting Europe's nation states in an effective Community. The EU is thus a historic necessity.

The CDU and the CSU, as the two major European parties in Germany which have helped push European integration forwards, stand for a common European future. We see Europe as an entity of people who together want to shape a peaceful future. However, this will be possible only on the basis of common values. If the European Union wishes to secure peace and prosperity in Europe, it can do so only if it adopts and maintains Europe's values.

HARTMUT NASSAUER – MARKUS FERBER

More than just an economic community

The history of European integration is the history of compromise and reconciliation since the bloodshed of the Second World War. For the first time the nations of Europe are working by peaceful means towards a common future. This development is based on the realisation that greater prosperity is dependent on peace.

Through cooperation and the increasing fusion of Europe's national economies, which were hitherto separate, not to say in competition, the Member States of the European Union have been able to generate unique economic growth. Along with the USA and Japan, the EU is one of the world's three great economic blocks and is responsible for a significant proportion of world trade.

However, the success story of the European Union encompasses more than just a striving towards material prosperity. What began with the European Coal and Steel Community and has achieved a temporary highpoint with the introduction of the euro and the debate about the European Constitutional Treaty is the story of a model for socio-political success. This is perhaps the European Union's greatest achievement, and it has lost nothing of its significance almost 60 years since the war ended.

The European Union has come a long way since its beginnings in economic policy. It is now far more than simply an economic block. Today the EU is a community of values which works because the people of Europe are conscious of those values. In short: the EU itself now represents values, European values, which make it more than simply the sum of its Member States.

The values which the European Union embodies offer everyone the maximum opportunity for personal development. On the one hand, these are the fundamental values which shape Europe: freedom, equality, justice and solidarity. In everyday politics, on the other hand, they are reflected in a commitment to tolerance and the rule of law, and respect for human rights and the rights of minorities. The embodiment of these values is one of the important achievements of European integration.

These values were born of our continent's Christian heritage. Their strength is derived from a common history and from the conception of belonging to a common cultural area. The CDU and CSU have always stressed the necessity of such values for a common understanding and common policies.

In negotiations on the European Constitutional Treaty we have therefore demanded that a reference to God be included. We believe that only a reference of this kind will take due account of European values and their embodiment in the European Union. The fundamental values of Christianity provide the basis for our understanding of freedom, equality, justice and solidarity.

EUROPE AS A COMMUNITY BASED ON VALUES

The EU as a reflection of European values

These European values are reflected in the European Union's conception of itself. This also means that European Union policy has to be formed in a way which is transparent and clear. Here the Constitutional Treaty represents an important step, inasmuch as it pushes the transparency and effectiveness of the European Union to the forefront. Briefly: the speedy ratification of the Constitutional Treaty will also strengthen the fundamental values on which the EU is based and which constitute its identity.

It is important for the Constitutional Treaty to transfer additional powers to the European Parliament. This will mean greater democratisation of the European Union and with it increased participation in European legislative processes by its citizens. Of particular significance in this connection is the expansion of procedures for participation in European legislative processes. With only a few exceptions, initiatives for legislation in the fields of agricultural, structural, domestic and judicial policy will also be subject to a vote in the European Parliament.

It is also important that in future the European Council takes account of the results of European elections when it appoints the President of the Commission. The President of the Commission will also have to be confirmed by the Parliament.

In principle the Constitutional Treaty provides an answer to the question of how the EU will meet the challenges of the next few years. On the one hand it combines for the first time all existing treaties in a single document, and on the other it helps clarify the division of powers between Member States and the Community. For the first time the EU's powers will also be set out in a single chapter. Thus in future a distinction will be made between exclusive and shared powers and supplementary measures.

Values demand effectiveness

To achieve their objectives, however, the EU's concept of values must also be reflected in its policies. The European Union is a project aimed at promoting peace among nations which have long been competitors and which feel, and cannot help feeling, committed to fundamental values. The EU therefore represents a successful experiment in peaceful coexistence between nations. We are proud to be able to take part in a project which attempts to strengthen tolerance, the rule of law, respect for human rights and peaceful cooperation between nations.

Because of our own history and the wars and unrest we have experienced in Europe, the European Union is committed to a policy of peace and reconciliation. The EU is therefore developing common foreign and domestic policies and taking responsibility for peacemaking operations around the world. The

HARTMUT NASSAUER – MARKUS FERBER

aim is to help solve conflicts jointly and with mutual trust, thus contributing to a more peaceful world for everyone.

Because of its principles the EU also has an important role to play in the prevention of conflict. The EU pursues a long-term policy of reconciliation and mediation. In the international system it represents an important calming influence which is able to balance conflicting interests fairly.

Europe's policy of neighbourliness is an important element in this concept. The European Union uses its model of a special relationship with the nations of Eastern Europe, the Mediterranean and the Middle East to promote the development of the principles of the rule of law and of the market economy, as well as respect for human rights and the rights of minorities. What is special about this is the long-term perspective of European foreign policy.

This perspective is also noticeable in the wake of natural disasters, such as the tsunami in Southeast Asia in December 2004. It is a major concern of the European Union that aid for those countries affected by the disaster should not only relate to direct emergency aid but also offer long-term assistance with the reconstruction of the infrastructure.

A policy of this kind is possible only if the European Union maintains its effectiveness. Only if the EU has the potential to achieve the aims it has set itself will it be able to meet the challenges of the next few years. This leads to a realisation which is only superficially a paradox. If the European Union wishes to take on a creative role in the world in order to emphasise tolerance, the rule of law and respect for human rights, as well as help in the fight against poverty and war, it must have its own boundaries.

This is not in any way a kind of self-restraint. On the contrary, if the EU should overextend itself, it would risk returning to an economic community with only a few elements of political cooperation. Too many diverse interests will ultimately bring it to a standstill, because an increase in its ever more diverse interests will make it more and more difficult to achieve political unity on political aims. This is true of both Parliament and the work of the Council of Ministers.

Europe needs clear objectives

Currently the most important question concerning the Community's future, that of Turkey's desire for membership, is often considered from a misguided point of view. The most important question is not whether the European Union will suit Turkey. It is not even whether Turkey is a European country. The most important question concerns the possible influence of Turkey's prospective membership on the content and aims of European policy.

We believe that Turkey's prospective membership would demand too much of the European Union. A Union expanded in this way would be over occu-

EUROPE AS A COMMUNITY BASED ON VALUES

pied with itself, and would no longer be able to accept the aims it has set itself. This would lead to a rejection of the Community's political aims and a self-imposed restriction to the maintenance of economic integration.

To focus on economic aspects alone, with a European Union which is an 'internal market de luxe', cannot be in the interests of either Europeans themselves, or our partners in the rest of the world. For only an effective Union which is conscious of the principles behind its own development can be a reliable partner and make a contribution to world peace and stability.

The Union's effectiveness must therefore be an important criterion in negotiations on membership. An EU which is overextended benefits neither Europe nor its friends in the rest of the world. If the Union's effectiveness is constrained, by a lack of common interest or protracted decision-making processes, for example, it will be unable to fulfil its responsibilities.

Konrad Adenauer, the joint founder of the European idea and the first Chancellor of the Federal Republic of Germany, once described the idea of European integration as follows: 'The unity of Europe was the dream of a few. It became the hope of many. Today it has become a necessity for all.' This quotation has lost none of its relevance. On the contrary: an active and effective Union is now more essential than ever before.

In Adenauer's day the process of European unification looked different from the way it looks today. There has been a fundamental change in the parameters. However, the realisation remains: we need European unification. We face major challenges, not only on the economic front, but also on the political front.

At the same time we must give the EU aims and content, and ensure that it can fulfil them. The European Union represents a great opportunity for Europe: it always has, and it continues to do so. It is an opportunity which we must exploit, and we want to work on this. Consciousness of European values gives the European Union the power and the common identity which are needed in order to shoulder the challenges of the future. Only in this way will it be equal to its own tasks and the tasks which are placed upon it.

April 2005

Ana PALACIO

Member of the Spanish Parliament



Our security

The biggest challenge we face in the 21st century is without doubt how to combat terrorism through democracy and thus guarantee our security.

Our security: what do we associate the concept of security with? Let us cast a glance back at history. For much of the 20th century, the entire Cold War period, western security was summed up by a single image. For those of us in the West, the term security brought to mind a map of Europe, divided from north to south by a dotted line. On one side stood the symbols representing the Warsaw Pact forces – planes, tanks, guns, ships and submarines all in red – and, on the other, in blue, stood NATO's forces, which we perceived – thanks essentially to the commitment of the United States – as reflecting the superiority of our side over communism. Today, the dramatic image now associated with the threat to our security is that of the Twin Towers collapsing on a New York morning, trains blown apart in Atocha Railway Station, the latest scenario of mangled wreckage and dismembered bodies somewhere in the world: Istanbul, Jerusalem, Beslan, Bali, Baghdad.

What do these two images tell us? In the first, the international dimension is embedded in the “alterity” of threat: security was inextricably bound up with defence and rested on clear concepts and accepted certainties. It was geared to tackling an enemy that was (1) external, (2) symmetrical to ourselves, (3) perfectly identified and known, and (4) notwithstanding the threat of mutual destruction, it respected certain basic rules. (5) Lastly, and perhaps most importantly, this image conveyed the unity, the like-mindedness, of the Euro-Atlantic community. We stood together in the war against communism, our common enemy, which was commonly perceived as posing a threat to our existence.

In the second image, the intellectual moorings and conceptual anchor-points that afforded us a sense of superiority and relative control have vanished. On seeing this image we are overtaken by a feeling of disorientation, vulnerability and

ANA PALACIO

discord in our formerly solid Atlantic alliance, first because the concept of “alterity” has disappeared. Anyone or anywhere is a potential victim.

It is meaningless today to view domestic and external security as being distinct; to view a national border as a barrier and line of concentration of defence. The ‘Möbius strip’ of security and defence has as its corollary the transformation of the hitherto specific functions and organisation of armies, the centrality of information – along with the need to reformulate the basics of intelligence – and the need for cooperation. Far from being rooted in the past, as some would argue, today’s NATO is a good example of a military body that has understood the challenges posed by our new reality, as illustrated by the new military concept of defence against terrorism, the creation of the Response Force and structures to respond to chemical, radiological and nuclear strikes, and the abandonment of the concept of “out of area”. NATO has also evolved from its traditional military functions and structures to a combination of functions and structures for policing, interim administration and civil protection.

The threat posed by Communism was, without doubt, a terrible one but at least we knew who our enemy was. We knew what he thought, how he acted, what motivated him. Those points of reference have been lost today. We do not know the profiles of terrorism. Nor do we know its ideology, its identity, the motivations or ‘causes’ it proclaims as justification for its criminal attacks, or the psychology of those who espouse this many-tentacled threat.

A many-tentacled threat. The symmetry of opposing sides has been lost, as has the relative tranquillity generated by the thought that our NATO forces mirrored, but were more effective than, their Soviet counterparts. The terrorists who threaten us today have no homeland in the sense of a country; their loyalties cannot be traced back to any state or quasi-state organisation, despite the logistical or political backing given by certain regimes and the symbiosis with rogue or failed nations. Today we are unable to identify our enemy geographically or institutionally. All we know is that we are confronted by a decentralised organisation, which is perfectly adapted to today’s networked world and comprises apparently disconnected, self-motivated and self-funded groups, although we suspect that their strategies are highly coherent and coordinated. In tackling them, we – our police, customs officers, judges and even our armies – are handicapped by an organisational system that is still rooted in an analogue world. Any head of a western intelligence service or law enforcement agency will readily acknowledge with concern that terrorist networks can move people, money and weapons around the world much more easily than he can redirect budget resources.

Fourthly, during the Cold War the uncertainty posed by the terrible shadow of nuclear destruction nonetheless formed part of the accepted rules of the game. Rules that were inherent to the state structure of the nations in conflict. If there is one thing that characterises terrorism today it is that its only rule is to disregard all rules.

OUR SECURITY

Lastly, our two images stand in contrast to each other also in the arena of perceptions. Paradoxically though it may seem, citizens on both sides of the Atlantic feel that the strategic partnership between America and Europe has broken down, irretrievably perhaps. That state of opinion is echoed by those people who, on this side, advocate building a Europe whose identity is defined in terms of a counter power or counterweight to US hyper power. It is shared also by those on the American side of the Atlantic who believe the time has come for the United States to unburden itself of the Euro centrism that conditioned its foreign policy for much of the 20th century and to recognise openly, once and for all, that its national security strategy is grounded on active hegemony (especially military). The two sides reflect the clash between two different perceptions of the new threats and of the manner in which they should be addressed. In turn, those two perceptions are, to some extent, rooted in different historic times and lead naturally to two contrasting visions of international relations. The event that has shaped our European reality continues to be the fall of the Berlin Wall and the ensuing collapse of the Soviet Union and European Communism which has given us back our continental dimension. It is a perspective that nurtures in some the exclusive reliance on negotiation and diplomacy as international policy instruments of the rule of law, while also promoting the doctrine of the 'realism' of the balance of power. The United States, meanwhile, are living in the era of 9/11, feeling vulnerable at home for the first time in their history and facing a global threat hell-bent on the total destruction of the very traits that define their society and the West generally. Whereas Americans are at war against terrorism, in Europe terrorism is viewed largely as a scourge that needs to be tackled. Terrorism is, for them, above all a matter of security; for many of us the humanitarian considerations are paramount, as demonstrated by the fact that article 1.43 of the new European Constitution places the solidarity required in the event of terrorist attacks or threats on an equal footing with that called for in the case of natural or man-made disasters. The contrast in concepts is also evident when it comes to responsibility for upholding and promoting the values of freedom and democracy that lie at the heart of any anti-terrorist strategy, as illustrated by the debate surrounding the United States' Middle East and North Africa initiative and the different approaches to 'humanitarian diplomacy', which ultimately involve a clash between the view of a world that functions harmoniously until crisis or catastrophe sets in and the vision that world reality is something malleable and its transformation is considered a duty.

The above considerations underline the importance of building a coherent and wide-ranging transatlantic cooperation. Although terrorism is a worldwide phenomenon and – since it affects us all – we should all participate in the fight against it, the central importance of the Euro Atlantic community cannot be ignored. The question is, therefore, how we can develop our cooperation in the interests of a safer and freer world. To be effective we need to pursue our com-

ANA PALACIO

mon strategy at different levels – domestic, bilateral (both between the EU and its members and between the EU and the United States), multilateral and international. Our strategy should therefore centre on three priority areas: developing practical initiatives, joint planning of our responses and winning together the perceptions battle.

June 2005

Alojz PETERLE

Head of the Slovenian Delegation of the EPP-ED Group
in the European Parliament



A vision of Europe in 2020

Over the last two decades Europe has gone through momentous, tectonic political, social and other changes. It has democratised and is continuing to expand and come together. At the same time, however, even given these successes, an increasing number of critical voices are highlighting the long-term question of Europe's survival. The legitimacy of the question is clear if we extrapolate certain demographic, social, economic and health trends.

I can only responsibly reflect on a vision of Europe in the first half of the third millennium on the basis of the foundations laid by the founding fathers of our modern, free and democratic Europe. If we want sustainable development we have to base it on sustainable foundations. In this sense I believe the approach that enabled the European Community to resolve the problem of diversity is key. Nationalist and totalitarian regimes resolved the question of diversity by eliminating and marginalising opponents, in other words by neutralising those with different views. The new European response to this question stems from a radically different view of the individual and of society. Genuine respect for others and a willingness to enter into a dialogue and cooperate with others can only be based on consistent respect for human dignity. The principle of unity in diversity can only apply if we recognise the value of each and every human being. From this we learn to respect whole nations, and the minority communities living within them.

I am very pleased that, in this spirit, human dignity, the key spiritual and cultural starting point, has been enshrined in the new EU Constitutional Treaty as a constitutional category (Article 1 of the Charter of Fundamental Rights states that human dignity is inviolable). I believe it is this fundamental principle which continues to make the European Union attractive to new applicants and at the same time is enabling it to forge a strong role for itself in a globalised world.

ALOIZ PETERLE

In the coming years respect for human dignity will be framed differently from the way in which it was conceived in the early days of the European Community or at the start of the negotiations leading to the recent historic enlargement of the Union. Europe today is faced with a far higher proportion of elderly people and with low levels of happiness. Failure to respond appropriately to the new challenges could lead to tensions between the generations that would hardly stem from a respect for human dignity.

I do not envisage the European Union of 2020 as merely a broad, open area of migration but rather as an area in which people take a renewed pleasure in living. However, I do not view this necessary change in any romantic sense. It will certainly require a change in values that will place our attitude to life, from conception to death, at the centre of our thoughts, words and deeds. Today's short-termist, narrow focus on profit is proving to be unsatisfying and harmful. We will need to ensure that development also means growth.

It is not just a matter of the quantitative aspect of demography, of more children. It is also about quality. It is about a healthy Europe. But we cannot make progress without linking our desire for sustainable development to a comprehensive and honest view of a reality which, particularly in the area of the environment and consequently also health, reveals mistaken development assumptions and policies. I see a healthy Europe in 2020 based not on a struggle for precedence between the economic, social and environmental aspects but on a recognition that they are co-dependent and complementary. If we understand this properly and take the appropriate action, if we are able to agree on the key changes, we might not achieve strong growth in terms of development indicators but we may grow in the right direction. If we want a different Europe, a better Europe, we will have to invest in it, and possibly also make sacrifices for it.

March 2005

Zuzana ROITHOVÁ

Deputy Head of the Czech Delegation of the EPP-ED Group
in the European Parliament



Common heritage, common tasks, common will

The serious problems facing Europe today cannot be successfully resolved by Europeans in isolation at the level of the Member States but only together, making use of all the resources provided by the intellectual and material wealth that Europe has at its disposal. There can be no doubt that Europe after enlargement has a superb opportunity to perform new tasks not only through the existing European institutions but also thanks in particular to Europe's specific way of thinking, formed over centuries by our history. This is an opportunity Europe cannot afford to spurn, because Europe's problems at the start of the third millennium go beyond Europe's borders; they are global problems. Solving them calls for the determination to continue down the common road, taking steps built on agreements and proper compromises. This means not being afraid to strengthen our common will to follow a path where the victors will not be individual countries, but the citizens of Europe, sharing common values. Politicians have a responsibility to make citizens aware of this, because it is in their interest for Europe to become a strong player on the global scene and to strengthen its influence on the search for solutions to the challenges facing the world. There are many reasons for a European ambition of this kind.

The first challenge – the fight against terrorism and violence

European integration was set in motion by Christians who believed that it would succeed in ridding Europe of war: and it did. They proved that it was possible to move away from the resolution of national, ethnic and economic conflicts by war and to replace it with negotiation around the same table leading to compromise. The European Union is living proof of the success of the vision that reaching democratic agreements on the pooling of key resources and respecting human rights can succeed in binding together the interests of the citizens of different nations to the extent that they become a truly effective rem-

ZUZANA ROITHOVÁ

edy against war. Today, more and more young Europeans feel that one of Europe's obligations must be to export this model remedy to other parts of the world in the throes of armed conflict.

However, Europeans themselves are now confronted with a new form of evil: the form of mass violence has changed into organised crime and terrorism that knows no borders, moral or geographical. It will not be easy for Europeans to find a remedy for this new form of evil with its pernicious ideology of death. "Thou shalt not kill" is the invariably deep-rooted commandment not only for practising Christians, but also for all Europeans. We know that our respect for human life is a value that must be exported beyond Europe's borders to those places where the taking of one's own life and of that of others is celebrated. We must not lose heart in seeking to attain this goal, even if terrorism seems stronger than our current ability to defeat it. Our weakness is that Europe is not sure which direction to take or with whom. However, it will continue to be difficult in the decades to come because we do not want to give up our democratic principles, even in a fight such as this. And yet we do have a chance as long as we do not fight international terrorism separately and inconsistently but by pulling in the same direction, both in Europe and across the Atlantic. This is an important reason why the powers of the institutions of the EU should be fundamentally strengthened in the area of security as well as foreign policy. Our fight must be made more effective and must not be limited to repression. Euroatlantic civilisation should speak one language.

This is the key responsibility for the near future for politicians, before citizens and before God.

Second challenge – the influence of globalisation on the sustainability of the European social and economic model

The commandment "Thou shalt not kill", mentioned in the first challenge, is such an ingrained and acknowledged value for European society, regardless of the extent of secularisation in Europe, that it is one of the important features that distinguish Europeans from other civilisations; another feature of European economic culture is high social and ecological standards. The advantage of these standards is that they improve citizens' quality of life and play a significant role in environmental conservation. Today, health protection and social security are already considered traditional values of the European economy, which functions within the confines of social agreement and the limited use of natural resources. These standards do not come free of charge, however; they make all European goods more expensive, thereby reducing competitiveness and, given the increasing liberalisation of world trade, worsening structural unemployment in Europe. We will have to combat this trend without falling back on ideological prejudices.

COMMON HERITAGE, COMMON TASKS, COMMON WILL

The EU's internal market is built on common rules, its freedoms determined by the harmonisation of these and other high standards. Only in this way can there be equal competition for businesses in a regulated economy such as this. The Union's internal market is not an economic island, however, but is and will increasingly be part of the global market, which is far from being regulated to the same extent. Its rules influence the major players on the world stage, particularly Japan, the USA and, today, even China with its entirely different economic and social culture. The conflict of these economic systems is played out within the liberalised world trade system, where Europe is at a disadvantage. This is partly because, with the exception of Ireland and northern countries, Europeans have cut back on training and investment in science and research, and partly because European products cannot compete with low and dumping prices of goods imported legally and illegally from Asia, where production has minimal social and ecological costs and is supported by state funding. That being the case, Europe can expect a stern test in the decades to come. Europe will have to cope with the loss of perhaps more than a million jobs, particularly affecting women in the textile, leather and shoe industries and, in time, also in other areas. Only sophisticated producers providing added value will have a chance of survival.

Europe will also have to cope with the consequences of the current exodus of European investors to eastern Europe and to Asia, because entrepreneurs are continuing to transfer their operations from 'expensive' Europe to countries where European harmonised rules on waste management do not apply, where they can employ people on wages many times lower than in Europe and where they enjoy advantageous tax conditions. Our common Europe will have to stand up against breaches of international trade rules, such as unlawful state subsidies for textile factories, for example, unlawful copying of technological procedures and trade marks, particularly in the automobile and computing industries.

All this damages European industry, distorts fair competition and increases unemployment. The Union will have to learn how to promote and defend its own rules outside Europe, otherwise it will soon have to relinquish its current high standards. This is another serious reason to increase the powers of European institutions in the area of foreign trade. The Union must become a strong and a respected partner not least in terms of the WTO. Individual Member States cannot do it alone: the European Union must have not only legal power, but also the courage to use all political and economic means to protect and to advocate European economic culture under global conditions even if it goes against the interests of certain powerful businesses. This challenge also demands the courage to go beyond the confines of ideological clichés, otherwise Europe will become an open-air museum. We cannot raise binding European standards even further without ensuring that they are also applied outside the enlarging Europe. This

ZUZANA ROITHOVÁ

is not only a matter of economic mathematics, but above all stems from a conviction that it offers the best prospects for the people of our planet.

Third challenge – an ageing Europe needs social and health system reforms

Europe is getting older. Over the last 100 years, average life expectancy has risen from 55 to 80. The problem is that fewer and fewer children are being born. In 2030, the population of the old continent will begin to die out, because in none of the countries of the EU are at least 2.1 children being born per woman, the level required for the renewal of the population.

Increased life expectancy is related to an improvement in living standards, which has led to a significant drop in infectious illnesses, and to further advances in medicine, meaning that most illnesses do not lead to death, as was the case in the past. Paradoxically, the low birth rate is also influenced by the high standard of living, increasing women's level of education and an individualistic lifestyle, which for a number of years has now replaced the traditional large family. In a number of European regions, the decline in population is being slowed only by immigration and the higher birth rate among immigrants from third countries. Overall, however, the ageing population, combined with increasing demands on health and social services, represent a phenomenon that will make not only societal and cultural changes for Europeans, but will also create economic problems. I am convinced that a responsible solution to these problems calls for far-reaching changes not only to the system of health and social care, but also urban development and public transport. It also calls for a considered long-term strategy on a common immigration policy.

Because the European Union is becoming a retirement home with a growing number of pensioners and a declining work force, we will soon, with the exception of Ireland, be confronted with a lack of people who create the resources to finance the increasing costs of health and social care within a system based on solidarity as exists in most Member States. In 2030, Europe will be lacking around 20 million people of productive age, while in the USA the population will have grown by 25 %.

In the Czech Republic, for example, a total of 80 % of the costs of the health care system is now being spent on people of retirement age. Not only are medicines themselves expensive, but the very time during which care is provided to the elderly is also increasing. This stems from the success, not the failure, of modern medicine. It is known as the 'medical paradox'. Although genetic pre-determination of the maximum human lifespan is between 100 and 110 years, meaning that prolonged age has its biological limits, I am convinced that this trend has yet to peak, so politicians in Member States should not delay necessary reforms on the control of costs, even if these are not popular. But the evolution of health-care technology and the pharmaceutical industry is, together with

COMMON HERITAGE, COMMON TASKS, COMMON WILL

information technology and weapons manufacture, one of the most dynamic. Both the possibilities of medicine as well as citizens' demands for quality health and social services are increasing more quickly than the financial possibilities of an ageing European society based on the principle of solidarity. The level of solidarity between generations is more striking in post-communist countries than in the old Member States, and that is why the financial contradiction is more distinct and in some countries is growing into a crisis. That is why the pressure for reform is also higher in the new Member States. The social model must be rebuilt with reference to the real likelihood of its being sustained.

The goal of health reforms must be not only the control of costs, the centralisation of specialised medicine, sufficient arrangements for rehabilitation and treatment of illness in old age. One of the principal health care goals of the Union should be objective – external control of the quality of health care. Increasing patient mobility between Member States creates a need for increased confidence of patients and holders of insurance in the quality and safety of services without regard to national borders. It is a positive development that more and more hospitals are already subject to voluntary national or international accreditation. After several months of inspections carried out by independent quality-control institutes, they are awarded a certificate attesting to their achievement of national or international standards in provision of health care. It is in the interest of European citizens that the EU should support the implementation of international accreditation systems for hospitals and ambulances at least to the same extent as it currently supports other consumer protection activities.

A high level of solidarity is an important traditional Christian value and one on which we are building our common European home. However, unbridled solidarity leads to abuse and social poverty. That this is not theory but fact is demonstrated by the well-documented events in health care in the new Member States. The state took greater responsibility for individuals' health than did the individuals themselves. Services were 'free' and the patient had no influence on monitoring price or quality of service. Patients did not know the price of services and became accustomed to going to the doctor any time even with the most non-serious of problems, which led to wastefulness and lack of money for treating serious illness. This state of affairs remains even though medical care is now paid for through national insurance. The overuse of health care and the exhaustion of resources in the new Member States are also demonstrated by eloquent specialised statistics. However, attempts at reform are problematic because they are unpopular. In order for them to be effective, they must also lead to a higher level of patient participation in the decision-making process on both care and prevention. Patients must be bound more closely into the system as consumers of services, aware of their rights and responsibilities and able to participate in quality control as well as in monitoring the goods they receive. However, they must be provided with sufficient comprehensible information.

ZUZANA ROITHOVÁ

Measures include introducing partial payment for non-serious illness directly from patients' own pockets in order to ensure that there are sufficient public funds remaining for costly treatment of serious illnesses and to support those who are genuinely the most ill. Changing patients'/voters' way of thinking requires time and political courage. This is closest in the new Member States because they are under the most economic pressure. Their experiences, both good and bad, have already made a contribution to the rest of Europe.

Although individual systems differ, in terms of general principles they are similar to each other, and the possible solutions are similar too – that is, control of costs, control of quality and safety of health care as well as of social services respecting changes in the surrounding world. And equally generally it is necessary also to look at the problem of an ageing Europe – the recent enlargement of the Union is an opportunity to resolve the problem together and to redouble our efforts also towards reforming health and social care.

The development in population of the traditional inhabitants of Europe is so alarming that it must lead to new forms of solidarity between generations. I believe that a policy of respect for motherhood and for the raising of children will become a matter for the whole of Europe. Christian Democrats are working to ensure that motherhood and the raising of children are recognised as services to the community and are highly valued both morally and financially. This recognition should be reflected in social reform measures currently in preparation. The sense of these reforms should not, however, be a better resolution of the social problems of families with children, but the renaissance of European society. And that is a task that cannot be ignored in framing future common European policy.

April 2005

Ivo SANADER

Prime Minister of Croatia



Croatia and Europe in 2020

Croatia on the way to EU membership

Croatia is a candidate country for EU membership since June 2004 and it is soon due to officially begin negotiating with the Union on individual chapters of the *acquis* and in that manner to continue adjusting and upgrading its system of governance.

In recent years Croatia has achieved major progress in the area of political reforms so that the long-term challenge ahead concerns the strengthening of Croatia's economic competitiveness vis-à-vis competition from inside the Union. A precondition for this economic criterion is a functioning judicial system and well-resourced and functioning institutions in charge of overseeing and assuring the rule of law in a free market economy. The challenge is that of strengthening the State in its regulatory and enabling functions while reducing the kinds of market interventions undesirable from the point of view of valuable economic competition. This economic strand of adjustment to EU standards is a logical continuation of Croatia's transition from a socialist economic model, in place prior to the 1990s.

We continue to strive for enhancing our competitiveness, institutional and many of the policy preconditions are already in place, characterizing Croatia as a functioning market economy. This was recognized also by the European Commission in its opinion (*Avis*) on Croatia's membership application, delivered to the Council in April 2004.

This recognition is the outcome of our systematic efforts to establish a market economy, accomplish the process of privatization and establish and deepen trade links with European partners. The outcome of these efforts so far ought to be viewed in light of socio-economic and political conditions created in the aftermath of the war. Given the implications that this background

IVO SANADER

has had on the policy manoeuvre space in Croatia, I am proud to say that the Croatian economy has in the recent past experienced an upturn and that the government is able to feasibly engage in a long-term effort of continued macro-economic stability, fiscal consolidation and structural reform. This effort is framed by the Pre-accession economic programme, a planning tool the European Union requires of Member and candidate states alike for the purpose of (joining) its economic and monetary policy.

Behind this focused effort to reform and upgrade across the board there is strong political will of the Government and the Parliament. As the process of EU integration gained momentum, the country's leadership managed to formalize the readiness of various political parties to cooperate on the European project. Already, in December 2002 the Croatian Parliament adopted a resolution whereby all parliamentary parties agree on supporting EU accession as a prime foreign policy goal. The agreement also allowed for the introduction of a fast track parliamentary procedure for legal acts harmonizing national legislation with the *acquis*. At the beginning of 2005 the governing Croatian Democratic Union (HDZ) has initiated an "Alliance for Europe" with the opposition with the aim to hold the EU accession process out of any party political disputes. In this context I am pleased to say that concerted efforts were reaffirmed and built on as the Parliament agreed on the basic principles of negotiations with the EU, on setting up a National Committee in charge of overseeing the negotiations and issued a declaration together with the Government on their common action in the negotiations process. That the leader of the largest party in opposition is appointed head of the National Committee in charge of overseeing the negotiations process is proof of the remarkable degree to which the EU integration project unites the Croatian political scene and the public it represents.

In the future I will continue to commit to a similarly high level of cooperation and consultation of all relevant actors on this matter that is of direct concern to the present and the future generations of Croatia. This recognition of the need to cooperate does much to uphold my enthusiasm vis-à-vis Croatia's continuing adventure on the road to the EU. The more so if one keeps in mind that, traditionally, effective cooperation between the Government and the opposition has been hard to come by. The "Alliance for Europe" between the Government and the opposition proves that political cooperation in Croatia has achieved an enviable level and that Croatia is successfully developing a sophisticated political culture.

In this sense we also consider plentifully rewarded the efforts we invested in reforming our party, the Croatian Democratic Union, during the four years spent in opposition. The reform we had envisaged was successful for it instilled in the party a spirit of openness and appreciation of the European direction and an acceptance of challenge as the surest way to evolve. These we share with

CROATIA AND EUROPE IN 2020

the rest of the European People's Party family and with all those dedicated to the success of the common European project.

Croatia's contribution to a Europe of 2020

In the pages ahead, I wish to offer my own assessment of what I believe to be Croatia's contribution to the European project which it soon hopes to become actively engaged in.

Firstly, we have embarked on internal political reforms in order to set new political standards for our own society but at the same time we had the aim to serve as a model country for other countries in neighbouring south-east Europe.

Croatia is a Central European Country, which in its identity combines the Mediterranean culture and the Central European culture of the Danube region. Its geopolitical position and the already achieved progress in harmonizing with EU standards make it possible for Croatia to play the role of a bridge between the EU and south-east Europe. The affirmative politics which we propagate towards our neighbours to the East, we believe, make us a beacon of EU standards in this region whose history, languages, mentality and dilemmas we know well.

Having this vision in mind, we have rolled up our sleeves and begun working for change at home, first. Croatia has been actively engaged in reconciliation at home and has since managed the shift towards a modern society respectful of its citizens and their cultural diversity. This Government is strongly committed to a greater social integration of national minorities. This process has by now progressed to the point where minorities are politically integrated at the national as well as the local level. All representatives of national minorities in the Croatian Parliament are thus partners of my governing coalition. In that sense, they actively and systematically take part in policy making in this country and take the responsibility for its outcomes and its future direction. The achieved level of minorities' participation in government policy can be seen as a model not only for south-east Europe, but also for other parts of our continent.

An election round was held for minority councils and their representatives in units of local and regional self-government. The envisaged role of these councils is for the minorities to advise local level government measures for enhancing the position of minorities. This institutional innovation has been accompanied by training activities meant to instruct local level government on how to accommodate the functioning of the minority councils and how to effectively cooperate with them. We harbour great expectations and much hope in this institutionalized element of cooperation between the civil society and the Government, much in line I believe with the trend towards progressive governance elsewhere in Europe.

IVO SANADER

Another Croatian contribution to a Europe of 2020 is that the Croatian Government uses all occasion to uphold its ecumenical convictions. I am the first Croatian Prime Minister to have visited – twice so far – the Serb Orthodox community with a message of blessed Christmas to its faithful. I have done so sincerely and with great hopes that such and similar gestures go a great way towards bringing closer the traditional pillars of the Eastern and the Western society – the Roman Catholic and the Orthodox Church. At a time when good will towards all fellow human beings, based in religious convictions, ought to represent the most fundamental and the most telling identification card in this world of differences, I believe such *rapprochement* to be a goal that both, Croatia and this region as well as Europe itself, should strive for.

It is in Croatia's interest to enhance communication with the civil society in general. This process is not only vital in light of our accession but is crucial also for the sake of our active contribution to policy making inside the Union. The debate on the future of the Union is preceded by a debate set to make states and peoples understand the common EU project and accept it as directly relevant to the realization of their individual goals.

Based on the above-described progress within Croatia, the third aspect of Croatia's contribution to Europe of 2020 is Croatia's role of a bridge between the EU and south-east Europe.

In another while, as the prospects of this region integrating into the Union come to loom larger on the horizon, Croatia will have plenty of first hand experience of that very process to contribute to a responsible enlargement and the shaping of life in a further enlarged European Union. This offer is certainly to be taken seriously given that the region for the time being continues to search for feasible and long-lasting peace and stability.

Political cooperation of which I speak is important for the sake of an efficient and unobstructed process of EU integration. More importantly, it confirms the country's dedication to a much wider development agenda. Commitments we undertake in that direction testify to our willingness of becoming an active partner of Europe in making this region its home, and making it the home of all peace-loving, democratic nations that in the past years have decided to turn a new page of their history.

In line with the foreign policy goal of being the EU's bridge towards south-east Europe, Croatia has taken seriously its stabilizing role in the region. In October 2004 we signed a Charter of good neighbourly relations, stability, security and cooperation in south-eastern Europe whereby Croatia became a member of the South East Europe Cooperation Process (SEECp). The logic of this and other regional cooperation frameworks is that of the spill-over principle we often associate with the beginnings of the European Union itself: once concrete ties and interests are (re)established, cooperation naturally widens and deepens. It is precisely this kind of concrete and forward-looking

CROATIA AND EUROPE IN 2020

cooperation that testifies Croatia's positive stance with regards to regional initiatives on fighting organized crime, liberalizing trade, setting up of transport and energy infrastructure networks, parliamentary cooperation, etc. The greater the number of parties with stakes in regional cooperation, the firmer the prospects of long-term stability among neighbours.

Guided by the same commitment, Croatia continues to undertake efforts on a bilateral level as well. I would like to point out in that respect that our relations with Bosnia and Herzegovina have been significantly improved, with the accent increasingly shifting from political to technical and economic matters. We strongly uphold the country's reform process undertaken for the sake of EU and NATO integration, and extend our support to efforts assuring equal treatment of the three constitutional peoples and a sustainable return of refugees and displaced persons. Croatia's support in that regard seconds the enduring efforts of the international community in this country. Furthermore, through its affirmative policy towards Bosnia and Herzegovina, Croatia is also participating in the EU's historic dialogue with Islam, which is the dominant religion of one of Bosnia and Herzegovina's constitutional people.

Croatia has similarly stepped up the intensity of relations with Serbia and Montenegro. Our aim is to achieve long-lasting good neighbourly relations through an open dialogue. For this reason, at the end of 2004 I became the first Croatian Prime Minister, who, after Croatia's independence, paid an official visit to Belgrade. We reached agreements on the systematic protection of national minorities in both countries as well as on the strengthening of economic co-operation. Croatia has voiced its readiness to share its experiences in the process of EU integration and the reform process in general. Behind our offer for future cooperation there is excellent proof of good will, as Croatia has accomplished much and continues to deliver to the utmost of its capacities to solving the issue of the return of Serbs which during the war had sought refuge in Serbia and Montenegro.

Efforts aimed at creating workable relations in the region are not a spin-off of Croatia's process of EU integration but a priority in its own right. We may be set on entering the European Union but the region remains our home. Strong rather than formal and shallow regional cooperation is thus a goal which we ought to set for ourselves but also in line with the EU's policy agenda in south-east Europe. The idea here is that, as in the case of EU integration, by creating prospects of prosperity through cooperation, countries remove the risk of economic hardship and geopolitical insecurity which threaten their individual social, political and cultural evolution. The challenge is in determining the extent and the form of cooperation beneficial to the development of the parties involved.

A further important contribution Croatia can make as a member state of the EU is linked to the fact that Croatia is one of the few European countries

IVO SANADER

which has a fresh experience of participating in a multi-national federation. Due to this experience we have a clear understanding to all what is and what is not adequate policy and politics from the point of view of satisfying people's desire for freedom, identity and well-being in a multi-national body like the European Union.

As we stand at the threshold of another project of a community of nations, we must keep in mind what the past has taught us about others and about us. This kind of knowledge is the more valuable inside a Union which is becoming home to an ever-growing and more diverse body of Member States. Therefore the Union must do its utmost to keep the conversation going among its members, to listen and use the experience and the wisdom of each individual Member State.

Finally, the European citizen of the year 2020 will be bound to work and live in different European cultures and languages and to empathise with these cultures and their people's mentalities. In this respect Croatia is already offering a wide range of experiences. Based on Croatia's historical ties with the German, Italian and Hungarian language-speaking areas, Croatia's strong tourist orientation and particularly based on a large Croatian Diaspora in the English and German speaking language areas there are, already today, many Croatian citizens who carry multilingualism as a part of their identity.

In this sense Croatia can, along with some other European nations of smaller size and similar multilingual characteristics, serve as a model for Europe's future.

Our paths cross

I wish to conclude with some thoughts on the challenge that awaits Croatia, for I believe it is similar to the challenge that awaits the EU itself. Croatia's brief history of independence has brought us many challenges. The worst may be over but quiet times do not seem to be ahead for another while. I am neither irresponsible nor insensitive when I say I do not despair over it, for the country's fate seems to me to be one of constant upgrading and self-betterment. Therefore we are optimistic with regard to the fact that our administrative and democratic system is now, through the prospect of EU membership, faced with the challenge *of more and better* in terms of efficiency, transparency, democracy and governance in general.

If the majority of the Croatian public opinion today is in favour of going ahead with these different projects, this speaks of the good will and endurance of our citizens. There is commitment on our side to adherence to the European family, to acceptance of the European model and the norms which regulate and steer politics, both "high" and "low". There is good reason to believe that the endurance of the European integration project and its success are proof of its

CROATIA AND EUROPE IN 2020

feasibility in the future. Even so, we are not unaware of the Union's problems and its open questions and we have no illusions that the journey ends once we are inside the European Union.

If, like Croatia, the European Union continues to enjoy challenges, there is no need to worry over Europe's future in 2020 and beyond. The recipe for change is clear: be aware of what your shortcomings are and ready to work on them. Most of all, one should keep in mind that the project of European integration is exactly that – a project. As such, it has neither an agreed end-goal nor a fixed path by which to proceed. To preserve its meaning and its value added, the Union must remain open and flexible. It seems to me appropriate, in that sense, to recall here the line of welcome with which the EU has in the past often addressed those of us standing outside, at its doorstep. It strikes me as being food for thought for the European Union itself. It goes something like this: We are glad that our paths cross, for you indeed have great potential.

April 2005

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European Neighbourhood Policy

Governments, Parliaments and in general politicians should not invent theoretical constructs and then expect reality to adjust to their expectations. On the contrary, they should identify the existing problems, try to predict the upcoming ones and look for effective solutions. The concept of the European Neighbourhood Policy (ENP) should be therefore as practical as possible. Undoubtedly, the relations with our neighbourhood are high on the agenda of the European Union, they are especially crucial for all those Member States which are going to be responsible for the management of the common EU external border. When the Bureau of the European Parliament was dividing the tasks between the Vice-Presidents I decided to opt for the Neighbourhood East portfolio because I strongly believe that this is precisely the area in which the new Member States can offer added value to the common enterprise.

What are the challenges ahead of us?

There are two kinds of challenges. The problems concerning the mutual relations with our neighbours that we have to resolve in close co-operation with them, and the internal EU issues related to the effective neighbourhood policy management that have to be settled among the Member States themselves. In the latter case one should not pretend that there is no potential for competition among the 25. However, in spite of the natural differences among the EU Member States' priorities concerning the neighbourhood policy, we should do our best to avoid it.

What is the reality?

It is absolutely crucial not to be afraid to state the obvious at the outset of

JACEK EMIL SARYUSZ-WOLSKI

our consideration – the EU neighbours do differ among themselves in a very profound way. Therefore it would be senseless to adopt the same strategy towards, say, Ukraine and Lebanon. There is thus nothing strange in a postulate, according to which the EU Neighbourhood Policy, if it is to be really effective, needs to provide only the widest general frames for differentiated and country-specific policies.

If we are serious about ENP we should not question the reality but take it as it is. We should try to focus on solving the actual problems, minimizing the costs and maximizing the effectiveness. There is nothing strange in the fact that Spanish interest in the Kaliningrad transit issue is more or less as great as the Lithuanian interest in border policing of the Ceuta and Melilla exclaves. At the outset one should admit the natural and inevitable differences of interests, precisely in order to avoid the competition among the Member States' foreign policy priorities.

What is the solution?

The EU Eastern dimension should be conducted simultaneously on three plains:

a. *The European one*, encompassing in a holistic manner the so-called first pillar activities (EU external action), the Common Foreign and Security Policy and cooperation in the area of Justice and Home Affairs, should be given *absolute priority*.

b. *The governmental one* – bilateral contacts, should be subordinated to the overarching EU effort. The great Member States should resist their temptation to conduct unilateral policy towards the East. Such an approach could result in undermined European solidarity on the international scene.

c. *The non-governmental one* – based upon activities of non-governmental organizations (NGOs) and other non-state actors. This is an area in which the new Member States have important added value to offer. Poland has its own important experiences in that respect. One should never forget that the "Solidarity" movement was effectively supported by West European and American NGOs which contributed to the triumph of freedom in Poland in 1989. The triumph that opened the way to the fall of the Berlin Wall and democratic revolutions in all the countries of the region.

One should also mention the profound and original experiences that new Member States' non-governmental organisations have in Russia, Ukraine, Belarus and Moldova. Those NGOs possess an extensive network of contacts and knowledge of local particularities and languages; this know-how should be exploited to the full benefit of ENP.

EUROPEAN NEIGHBOURHOOD POLICY

What should be the principles?

There are numerous, important principles that should be accepted by all the Member States if we really want to make the ENP an effective tool of the CFSP. These are as follows:

1. *'Primum non nocere' – respect for everyone's priorities.* The Member States should accept the most important principle well known from medicine: First of all do not harm (the interests of other Member States). The EU resources for ENP are limited. Focusing too much on one priority could mean shortage of funds for another area. The negotiations on how to prioritise tasks are inevitable. It has to be realised, however, that if we want to have a truly common CFSP we have to understand that the interests of every member state have to be taken into account. *Let every State be active where it chooses to.* The ESDP operation Artemis in Congo – the first real military mission of the EU outside Europe was led by France, but the EU as a whole gained credibility as a result of that undertaking. The Eastern Policy will probably be propagated mostly by Scandinavians and the new members from Central Europe. The other Member States should support their efforts instead of frowning at them, just as the new Member States should support the Barcelona Process. The EU gains credibility along with its successes, no matter in what geographical dimension they are achieved.

2. *The regional approach* is a well known and practically tested device within the CFSP. We should follow this pattern. We already have the Northern dimension and the Mediterranean one and we also have the Polish proposal of the Eastern dimension submitted at the beginning of 2003. The Northern Dimension (or as recently proposed by the EPP-ED national delegations – Baltic Dimension), successfully initiated by Finland and developed by Sweden and other Nordic countries, is the best example of a good job that can be done within neighbourhood policy. The problems existing in Northern-Western Russia are real (environmental threats, nuclear pollution, problems related to health, transport and communication). These threats do not respect any borders, therefore it is in our own best interest to deal with them trans-nationally. The Northern (Baltic) Dimension necessitates well defined goals and clear instruments. Those characteristics should be adopted within all of the other regional dimensions of the CFSP.

3. *Differentiation* – it is illogical and counterproductive to create one uniform, inflexible policy encompassing all of the neighbourhood. The example of Lebanon and Ukraine does not need to be repeated. It seems that even within one region the ENP must be maximally differentiated in order to meet the real challenges. There is a profound difference between the situation and the needs of Belarus and Ukraine. The EU cannot have the same approach

JACEK EMIL SARYUSZ-WOLSKI

towards these two countries, which are at different stages of political and economic development. The EU should design its policy towards a given country according to the progress of political and economic reforms within it. The adoption of such a rule would allow the EU to take into account the real differences in domestic political situation and international aspirations and ambitions of a given State.

4. *Flexibility* – we do not have enough resources to satisfy all of our aspirations at the same time, therefore there is a need to adopt a certain blueprint for dividing the existing resources. The blueprint cannot be designed on the basis of any pure mathematical formula (say, according to the length of borders, population or trade flows) since the urgency of the problems in different areas is not always the same. We are unfortunately unable to predict the future developments on the international scene and allocate in advance the necessary resources accordingly. If the CFSP is to be really effective it has to be as flexible as possible. It has to be able to react to crisis situations. That is precisely why we need the initiatives such as the flexibility instrument. The EU simply must preserve the ability to adapt itself to the changing circumstances.

5. *Closing the wealth gap*. The deepening of the wealth gap between the EU and its neighbours is the most important challenge we face. Therefore there is a need to counteract that tendency. In this very context the question of resources arises with all acuteness. In the current budgetary situation it will be difficult to find the additional means but the EU has to set its priorities right and earmark serious money for the Neighbourhood Policy in the 2007-2013 Financial Perspective. The new Neighbourhood Financial Instrument should be designed in such a way as to streamline our activities; that reform in itself may improve the difficult situation, provided that the instrument will be as flexible as possible. Finally, instead of 34 sources provided for the financing of our common undertakings geared towards neighbourhood, we will have one.

Money is not everything. If we really want to minimize the wealth gap between the Union and its neighbours the EU assistance schemes have to be accompanied by progressive opening of the EU markets to the goods coming from our neighbourhood. Technically we should offer our neighbours the status similar to the European Economic Area. It is one of the recipes for dealing with the EU's financial overextension!

6. *Concrete character*. Time to move beyond the rhetoric statements in neighbourhood policy. The EU should at first implement concrete, beefed-up and country-tailored Action Plans. One should concentrate on creating "success-stories" that would resonate well with our neighbours and their citizens. *The stress should be put on promoting the emergence of a new political and legal culture with simultaneous fostering of new elites focused on modernisation.*

EUROPEAN NEIGHBOURHOOD POLICY

7. Special attention should be paid to *cooperation in Justice and Home Affairs*. It has become obvious that the European Union can consolidate the area of freedom, security and justice only in close cooperation with its neighbours. Such is the case of countries sharing long, common borders in the East and South. While tackling urgent security questions such as organized crime, trafficking in human beings, illegal immigration, we have to strike the proper balance between restriction and freedom. Growing tourism, trade, education and cultural exchange require smooth and flexible arrangements concerning visa policy and border controls.

The Hague Programme calls for intensified cooperation and dialogue in migration in asylum issues. In this context, burden-sharing and shared responsibility should be applied as guiding principles. However, one has to bear in mind, that according to the EU's risk analysis, the eastern external border is not the main target for illegal migration when compared to the southern flank (Mediterranean basin).

The creation of the Agency for External Border Management opens a possibility for the development of a coherent model based on close cooperation and partnership with the neighbouring countries. Such a model has been successfully put in place at the Finnish-Russian border.

In order to raise mutual trust, the EU performance in this policy area has to focus on providing assistance which would contribute to building autonomous capacity of our neighbours in this field. This is particularly important in judiciary cooperation and the fight against corruption.

All of the above mentioned goals can be achieved with an adequate financial framework, so the foreseen European Neighbourhood and Partnership Instrument should provide all necessary action with appropriate funding.

8. *The rule of gradualism and conditionality* in co-operation between the EU and the neighbouring countries. The EU should make the cooperation and above all assistance dependent on the progress of the transformation process. Special stress should be put on the following: minority and human rights record, building democratic institutions and market economy, improvements in governance and fighting corruption. Conditionality, however, should be realistic – it cannot become an alibi for inaction. Therefore it would be more advisable for the EU to adopt a more incremental approach. Small steps in the right direction may be more valuable than piling-up unrealistic conditions.

What is the vision of the Eastern dimension of the ENP?

The Eastern dimension of the ENP constitutes an area where the new EU Member States can put their practical political and historical experience in

JACEK EMIL SARYUSZ-WOLSKI

use and where they do have competences and expertise which can serve best the revamped CFSP.

Russia – formally it is not a part of the Neighbourhood Policy; however, there is a need to say at least a few words about the Union's most important, largest strategic neighbour. I'm convinced that all of the principles outlined above determining the shape of ENP should apply to Russia. Since one of the espoused principles is that of "differentiation", it does not mean that Russia does not necessitate special approach – it does. This approach, however, should be based on the same general principles as the EU's dealings in the whole region.

The recent trends in that country contribute to the magnitude of the challenge. The instruments that the EU has at its disposal to deal with Russia are unfortunately limited. The EU can influence the situation in Ukraine in a relatively simple way – offering a perspective (however remote) – of association or membership. The perspective of membership is the most powerful CFSP instrument. No such instrument is available in the EU's dealings with Russia.

As indicated, it is not my intention to describe the intricacies of EU-Russia relations, I would like, however, to draw attention to the possibility of using "soft" measures in relations with the EU's greatest neighbour. There is great potential there. The Union's principal aim should be to counteract the trend whereby Russia is distancing itself from the European Union, we should not allow ourselves to grow further apart. A special stress should be put on direct contact with Russian society (regional cooperation, visa facilitation, student exchanges), cooperation among NGOs, improving access to non-biased information about the EU, support for independent media, to name just a few. Even if the distance were to persist between the EU and the Russian government the EU should prevent the same tendency from relations between our societies.

Ukraine after the Orange revolution should undoubtedly be recognised as a leader in the region, because of its size, the level of ambitions (the EU membership), the political dynamics and the direction of the changes (pro-democratic and pro-market reforms supported by an active and powerful movement of citizens). Ukraine and Georgia in their more EU-oriented, democratic form are a powerful example that democracy and rule of law may prevail in post-Soviet republics.

The new democratic government in Kiev has limited time to implement the most necessary and difficult reforms. If we seriously believe that it is in our interest to have a democratic and prosperous neighbour with robust economy and satisfied population we have to assist Ukraine in the transformation effort. The concerted action of the EU should meet two requirements:

EUROPEAN NEIGHBOURHOOD POLICY

- enjoy political support of the EU and its Member States,
- its effect should be considerable enough so that they are noticed by the Ukrainian public, thus supporting the pro-European Yushchenko-Timoshenko government.

My strong belief, supported by the clear majority of the European Parliament in its famous resolution of 13 January, is that Ukraine should be given a clear European perspective. That view is unfortunately not fully shared by many EU governments. The EU can, however, focus on a number of practical, yet very important steps:

- a. Facilitating the EU-Ukraine visa regime;
- b. Institutional building – assistance in the process of legal harmonisation with the *acquis communautaire*, leading to associated status with the EU;
- c. Recognition of Ukraine as a market economy (just as in the case of Russia) and helping it become a WTO and OECD member;
- d. Prospective establishment of a free trade zone between the EU and Ukraine (the opening of the EU's steel and textile market for Ukrainian products);
- e. Special educational projects aimed at linking Ukrainian Universities with the EU educational and scientific programmes, scholarships for students and scientists etc.;
- f. Intensification of the activity of the Carpathian Euroregion (Polish-Slovak-Hungarian-Romanian-Ukrainian);
- g. Support for Odessa-Brody-Gdansk oil pipe-line project.

Moldova is another important country on our list which may follow the Ukrainian evolution. The situation after the recent elections has been improved; the new government is avowedly pro-European. It is a very important country because of one more crucial factor, namely – the upcoming accession of Romania to the EU in 2007. Not that many people realise that ca. 1 million of the Moldavian citizens out of the 4.5 million population have double Moldavian and Romanian citizenship, which means that very soon they will become EU citizens. The Transdniester problem, which is an important factor when one assesses the situation in Moldova, requires separate treatment. European support for democracy and the rule of law as well as the additional means that will probably be suggested by Romania, once a member of the EU, should become important instruments in the EU's policy in the region.

Belarus is a completely different ball game. The Soviet style dictatorship which fuels nostalgia for “the glorious past” at the Union's doorstep is a challenge to all Europeans. Changes in that country are inevitable. The Ukrainian Orange revolution, the spread of democratic ideas from neighbouring Lithuania, and Poland should have its impact sooner or later. The EU should be prepared mentally and materially to support the changes when they come about.

JACEK EMIL SARYUSZ-WOLSKI

Authoritarian regime in Belarus can hardly survive in the face of the EU and democratic Ukraine. The EU however should be ready to promote democracy in that country; that would require adequate instruments. In my view the Union should:

- a. Exert constant pressure on the Belarusian government in defence of freedom and human rights;
- b. Create a free radio and TV station broadcasting for Belarus in order to counter the governmental media monopoly;
- c. Create a European Democracy Fund to support civil society in Belarus. This instrument should improve the development and absorption of the financial aid for Belarusian non-governmental organisations;
- d. Create a European scholarship programme for Belarusian students.

Conclusion

The European Neighbourhood Policy offers the European Union a true potential, an effective way to raise its profile vis-à-vis its neighbours and to pursue its most vital interests. The ENP has a potential of imbuing the CFSP with new energy and providing us with a promising training ground for our common foreign policy ambitions. No one doubts its importance. Let me remind you that the European Security Strategy claims that “even in an era of globalisation, geography is still important. It is in the European interest that countries on our borders are well governed.” No neighbour presents today a direct threat to the Union; however, many domestic problems with which they constantly grapple may spill over into the EU. Therefore it is in our common interest for our neighbours to be stable, well-governed, democratic, as economically successful as possible and included in an effective cooperative network – a true ring of friends.

The Ukrainian revolution has demonstrated that peaceful change is possible after all. I believe that it will become an inspiring agent for wider political change within the region. The EU's role is above all to remain true to its values: support for democracy, the rule of law, freedom of speech and human rights. It is the basis on which the EU was built and the most powerful tool of truly common foreign policy.

The Ukrainian example has also proved that the CFSP can after all be really effective and deal in a pre-emptive way with a crisis at hand. It has also proved that the European Parliament can play an important, autonomous role in foreign policy, realise its priorities and act as a true, courageous leader on

EUROPEAN NEIGHBOURHOOD POLICY

certain foreign policy issues. It has finally proved that the new Member States really can provide the Union with greater added value and that they have learned very quickly that their particular national interests in most cases are complementary with the interests of the whole European community.

April 2005

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Common values, common future

A community which upholds the nation State and cherishes individual freedom

Europe has a long history. A history filled with war, horror, plague and cholera. But also a history rich in discoveries and innovation. Democracy was re-invented in Europe. Civil liberties were conceived in Europe, and industrialisation, which was a huge leap forward for human civilisation, was created in Europe.

The modern history of Europe, for good or ill, has been played out against a backcloth of alternating rivalry and cooperation between nation states. When rivalry has gained the upper hand, Europe has embarked on devastating wars, with great bloodshed and inhuman suffering for its citizens. When cooperation between states has flourished, European civilisation has flourished as a consequence of peace.

With the development of the European Union, the European nation states have found a formula which can prolong the era of peace indefinitely. Peace in Europe is the EU's greatest achievement and a prerequisite for everything the European countries wish to create together.

European peace is built on a foundation of trust between states. No Member State of the EU today feels threatened by its neighbours in the Union. The borders are open but also well defined and inviolable. Within the framework of the nation state, citizens can live their lives in freedom and in a national community but are also covered by the Union's supranational binding cooperation, which provides economic, political and cultural security.

It is my hope that in years to come the European Union will appreciate how to fulfil its task as protector of independent nation states. The Union's own motto, as formulated in the Constitutional Treaty, 'Unity in Diversity', indicates that respect for the national independence of the Member States and the individual rights of their citizens is a principle which underpins the Union. Without this

GITTE SEEBERG

explicit acknowledgement of the independence and autonomy of the Member States, the Union would not be able to comply with its own declared aim: 'to promote peace, its values and the well-being of its peoples'.

The European Union has come a long way and has grown substantially since five countries sought to forge closer ties in the post-war period of the 1950s. I am in no doubt that the Union's founding fathers had a vision of the dissolution of the nation state as a way of avoiding future wars.

But that time has passed. We face different challenges in a Union with up to 30 Member States. The many small and minor Member States in the EU expect respect and acceptance of their unique national character. It is a simple condition of ceding sovereignty to the institutions of the Union that the Union does not pursue a strategy which will lead to the dissolution of nation states. On the contrary, the Commission and the European Parliament, as the institutions most eager for integration, should make an active contribution to exorcising the ghost of federalism.

My own hope is that the European institutions will come to recognise that without the nation states as the foundation of the Union there can be no hope of cooperation, and there is a risk that the Era of Peace will not last as long as we are all working to achieve and hope.

A community which acknowledges private initiative as the route to growth and success

With the collapse in the East and the fall of Communism, the world became a better place in which to live. The crimes committed by Communism against humanity are unforgivable. Countless people died under the tyranny of the Soviet empire. Economic failure in Eastern Europe under the Communist yoke denied a whole generation the social progress, well-being and health they rightly expected. The collective planned economy's complete lack of concern for enterprise and initiative kept production and prosperity down to an uncomfortably low level.

There are unmistakable signs in some areas that the European Union is wrongly accepting the planned economy as a tool.

There are many examples of over-regulation of industry and commerce. There are repeated attempts to regulate in detail to the point of absurdity, and in budget terms the Union is stuck, in some countries, in a morass of government subsidies to unprofitable industries and with anachronistic agricultural subsidies, which makes a forward-looking commitment to research and development impossible and at the same time makes food more expensive for consumers while hampering free competition with countries in the developing world in selling to European dinner tables.

Reducing the volume of legislation in the EU is a major task to be accomplished in future years. Unnecessary and over-regulating restrictions on the opportunities

COMMON VALUES, COMMON FUTURE

for private initiative to develop should be weeded out. Agricultural subsidies, if they are not entirely abolished, must be reduced to such an extent that they no longer impose a burden on the common budget.

The route to growth and success does not pass through state control – or Union control. Growth and therefore the foundation for well-being is created by private initiative and enterprise.

In endeavouring jointly to fulfil the Lisbon objective, we must keep in mind that an inflexible labour market, over-regulated industry and commerce and an excessively large and bureaucratic public sector pull in the opposite direction.

My own hope is that European governments in years to come will acknowledge this and give free rein to creativity and enterprise in Europe. The social-democratic blanket of security based on centralism and over-regulation will ultimately cost European citizens dear in terms of well-being and prosperity.

A community which ensures free competition while respecting the environment and sustainability

Free and fair competition is a cornerstone of European cooperation. Just as over-regulation and detailed control of industry and commerce cause untold harm to the ability of communities to safeguard growth and well-being in an innovative and forward-looking way, cartels, social dumping and an irresponsible attitude towards the environment and natural resources have a destructive impact on the ability of industry and commerce to generate sustainable progress for European peoples.

Our experience has taught us that research and investment in a cleaner environment pays for itself many times over in the form of greater competitiveness. At the same time, a strict environmental policy helps safeguard public health and in the longer term will consequently save major expenditure.

It must be an aspiration for the European Union to raise environmental standards in all areas, so that the EU leads the way in the global battle for a cleaner and healthier environment.

Pollution of the environment with a large and rising number of chemicals is an enormous problem, not just in the EU but throughout the world. Public authorities find it very difficult to keep up with developments in industry. Chemicals are coming onto the market faster than the impact of these substances on human health and the environment can be evaluated.

Analysing and evaluating substances is an obvious task for the EU. No country alone can take on this task, and the obligation is a natural consequence of the principle that free movement of goods across the internal borders must not cause the health of the population to be endangered.

In relation to agricultural production, the EU must in years to come impose stricter requirements on how farmers treat their animals. Animals in modern effi-

GITTE SEEBERG

cient agriculture are in a poor state of health. The use of antibiotics is steadily increasing, and many animals are rejected at the abattoir because they are either too sick or have large sores due to the poor treatment they have received.

This is not a situation which can be allowed to continue. There is a risk that the widespread use of antibiotics in agriculture will create cross-resistance in humans, denying us the chance to treat other diseases effectively. In addition, it is morally indefensible to give such little respect to the well-being of the animals we are going to eat. The excessively long journeys animals are taken on through Europe are a manifestation of the same flawed thinking, where farm animals are treated and regarded merely as commodities rather than as living creatures with a right to proper treatment.

My own hope is that the citizens of Europe will in years to come make the battle for a healthier and cleaner environment in both industry and agriculture an issue of popular concern. Consumers are ultimately in the strongest position, because they are the ones who have to buy and pay for goods. The interests of the powerful farming organisations and the lobbyists of the chemical industry must no longer take centre stage.

A community which reaches out to its neighbours

Not all the countries in the vicinity of the Union can attain membership of the European Union. The EU is an association of European countries, and the countries of North Africa, Russia and the countries in the Caucasus, for instance, are forever denied the opportunity of seeking admission to the Union.

The EU has its boundaries, but the idea of binding cooperation as the route to peace, well-being and prosperity knows no frontiers. The EU must therefore reach out to its neighbours in years to come and offer them more than just traditional cooperation agreements.

Our own prosperity and peace depend on countries neighbouring the EU developing harmoniously and dynamically, in political, social and economic terms. A threat to Russia's shaky democratic institutions is, in practice, a threat to us all. Continued poverty, unemployment and illiteracy in North Africa in the long run poses a threat to our prosperity too.

The EU's neighbours to the east and south are different, and what the EU offers in cooperation, development and aid must reflect that fact.

In relation to North Africa, it is absurd that while the countries of the Far East are surging ahead, hardly any progress is being made in North Africa. With the European market so close, North Africa ought to be able to attract far more private investment than it does today. The enormous tide of immigration from North Africa is quite simply due to the fact that the economies of the North African countries cannot provide those countries' own citizens with a reasonable future based on their own labour at a proper wage. Societal decline is due to the same

COMMON VALUES, COMMON FUTURE

lack of economic dynamism. Infrastructure is inadequate, states are unable to fund public education and health systems, and we have gradually reached a stage where the national cohesion of several of the countries of North Africa is under threat because of population growth.

The governments of the EU Member States must be made to recognise that the poor condition of North Africa is a matter of concern for all citizens of Europe.

My own hope is that the countries of the EU will be able to decide jointly to pull North Africa out of the morass of poverty, unemployment and misery which is a prevailing trait of the countries south of the Mediterranean. It will cost money – a lot of money – but we must regard this as an investment in our own future.

A community which is an active exponent of democracy and human rights

The greatest achievement of the European Union has been to create the foundation for lasting peace between European states. The EU has not in itself either created or ensured democratic systems of government in the countries of Europe. The credit for that goes to the European peoples – and to them alone.

Through its core principle that economic progress is the best way of stabilising democracies, the European Union has nevertheless acted as a catalyst for democratic movements in both Eastern Europe and the developing world.

The route to peace passes through employment, education and the ability to provide for oneself and one's family. The EU must become better at disseminating this understanding of European success around the world. It is important, for instance in relation to the developing countries in Africa, to be able to establish an expectation of a better life before those countries which today are exponents of corruption, war and repression choose to follow another route.

Forty years of development assistance for Africa have not in themselves made the continent a better place to live. Nor will the next 40 years of development assistance make any significant difference unless good governance, human rights and democracy become key elements in the foreign, security and development policy of European countries.

Former European superpowers, which are no longer so powerful, have over the years trodden on each other's toes and trampled on the peoples of Africa in an attempt either to support or to replace this or that African leader. Playing at being a superpower at the expense of Africans must stop. There are no longer any European superpowers, but there is extensive famine, distress and misery throughout the African continent, from Casablanca to Cape Town.

The countries of Europe ought to coordinate a common policy on Africa, which gets rid of old prejudices and concentrates exclusively on eradicating poverty by strengthening human rights, democracy and an open market economy.

GITTE SEEBERG

This does not mean that development assistance has to be trimmed, but experience has taught us that development assistance does not have any beneficial effect in the long run if countries are living under a dictatorship, on the brink of civil war.

My own hope is that, in the light of its unmistakable success in creating progress and prosperity for its citizens, the European Union will take the lead in re-thinking the relationship between the EU and Africa.

March 2005

Jean SPAUTZ

Head of the Luxembourg Delegation of the EPP-ED Group
in the European Parliament



Europe Day, 9 May 2020

There are two ways of successfully describing our vision for Europe. The first, more conventional way, is to list our desires for the political future of our continent. This is done every day, in Brussels and elsewhere, in speeches and public forums, in governments and parliaments. The sum of the desires expressed can produce a vision. But a vision is also a dream, and there is therefore a second, more unconventional way of portraying the ideal Europe of 2020 and the route to it. This is by recounting a dream which takes place on 9 May 2020 – on Europe Day. The dream reviews 13 years of European history: the years whose events have made the Europe of 9 May 2020 possible.

9 May 2020 is a public holiday: the first new Union-wide holiday, introduced in 2017 when Turkey, Moldova, Ukraine, Belarus and the Republics of the Southern Caucasus joined the Union. Bosnia-Herzegovina, Albania, Serbia, Montenegro, Kosovo and Macedonia had already been admitted in 2012. Norway had approved membership in 2010, with Switzerland becoming the newest member of the Union on 1 January 2019.

Europe Day is the first ever common holiday for some 600 million Europeans, with work stopping between Lisbon and Donetsk, Diyarbakir and Tromsø. Since 2017 this day has been celebrated with special solemnity in a different European city each year. After Strasbourg, Vienna and Istanbul, it is now the turn of the Moldovan capital Chisinau. In his speech the mayor stressed the fact that Chisinau's railway station for express trains, which had just been officially opened, was the symbol of European Moldova. Vienna was now only three and half hours away by train. The European magnetic levitation trains, which had been developed jointly with Japan, completed the journey from there to Brussels in two hours and fifty minutes. The trans-European networks were now already largely a reality, since the Union's Structural Fund had been reformed primarily in favour of transport policy.

JEAN SPAUTZ

The previous years were not easy. The first major round of expansion to the East by the Union, in 2004, was less easy to digest than many had imagined. In some of the new Member States nationalist protest movements rapidly increased in strength, their supporters giving vent to their frustration at unfulfilled expectations. When Croatia, Bulgaria and Romania became Members of the Union on 1 January 2007, its capacity was exceeded. Although the Constitutional Treaty had previously been rejected by individual Member States, there was no desire to interrupt the process of expansion. A third of all Europeans who were canvassed in referendums on the Constitution went to the polls without having heard anything about the Constitution. Europe was in deep crisis.

The 28 Member States of 2007 now had to manage with a Union the institutional character of which was defined in the Treaty of Nice. There were blockages in the decision-making process. The Constitution could not enter into force. The nations of the Western Balkans, Ukraine, Moldova and Turkey began to have doubts about their prospects for membership. Would there still be a Union when they were finally ready for membership? The doubts which plagued European voters in 2007 were the worst since the European Defence Community foundered in 1954. Had the French National Assembly not blocked the project's path it is conceivable that a federal Community might have been created as early as 1960, a Community patrimony with a common standard of living and which would have been political in nature, and would not have been expressed in a panoply of over-regulation, felt to be objectionable by untold numbers of Europeans. There was nothing more to change in the Paris Vote of 1954. The question was: would the Union of 2007, like the European Coal and Steel Community of the 1950s, have the strength to tackle a new project? Would it be able to fire Europeans with enthusiasm for a new attempt? Would there be a new Messina?

The Council of Europe met in Brussels. One dull December day in 2007 the Union's Heads of State and Government sat down together in an impersonal conference room and discussed ways out of the crisis. The prospects were as depressing as the wintry weather in Brussels. The Council knew that the future of the Union hung by a thread. There had been major demonstrations in southern Poland. In Romania strikes had paralysed public transport for weeks. In Norway opinion polls showed that 85% of those surveyed were opposed to EU membership. In the United Kingdom a comfortable majority was in favour of leaving the Union. Had the Constitution been in force the British might already have left the Union, although formally that course of action was not possible under the terms of the Treaty of Nice. Not yet...

In the evening of the second day of the meeting the members of the European Council agreed that only a completely new start could save Europe. Otherwise there could no longer be any thought of overcoming the tensions

EUROPE DAY, 9 MAY 2020

in Europe. As the next morning broke there was an outline on the conference table. It was an outline of a European constituent assembly, a continent-wide foundation of a new Union. There would be a new Convention whose members would be chosen specifically for this task by Europeans. Every voter would have two votes, one for a national candidate from his own country, and a list vote, which he could use to elect the candidates of a European party. The Convention would continue to meet until a new Europe had been defined. The results of its discussions would be submitted to a pan-European referendum for agreement. In the meantime the Council managed to appoint a President for itself, in order to provide Europe with a face – even without a constitution. At the same time the Commission was called upon to propose one or more of its members to the European Parliament for election as European Foreign Minister so that the representative body of the people could appoint the Foreign Minister in January 2008. The President of the Council, the President of the Commission and the Foreign Minister would be the triumvirate who would have to lead Europe until the Convention had finished its task. The Council itself had decided that no two members of the transitional triumvirate should come from the same country. In fact the President of the Commission was Portuguese, the Chairman of the Council was from Luxembourg and the Foreign Minister was French. The European Parliament had been able to agree on this highly-cultured woman, who spoke fluent German, English and Polish, after the German President of the Parliament was appointed Chairman of the Convention, although admittedly he had yet to be confirmed by the body itself.

The appointment of this triumvirate of leaders met with wide acceptance in the European Union and aroused worldwide respect. It now seemed that Europe was capable of pulling itself together and, after decades of rather careful progress on unification, risking a quantum leap. The European Union's partners in the rest of the world took events in Europe seriously. The first fundamental decision to be reached by the triumvirate was in future to relinquish national seats on the UN Security Council and to aspire to a European seat on a reformed 'Governance Council', which would replace the Security Council. Ultimately it was no longer simply a matter of war and peace, any more than was the case in Europe: it was more a matter of global trust in international organisations, their legitimacy and their ability to tackle the world's problems and offer solutions.

In Europe the elections for the Convention were set for mid-February 2008. The 112 elected members (two from each Member State, and a similar number of candidates from the European Parties elected via lists) would meet not in Brussels, but in Vienna. The symbolic importance of the capital city of the first multinational European state, which was once Austro-Hungary, had persuaded the European Council to move the Convention's venue to the centre of the continent, 60 kilometres from Slovakia and Hungary. The Convention would

JEAN SPAUTZ

work in the city from which the South Tyrol as well as modern Ukrainian Galicia, Bosnia and Transylvania had been ruled until 1919: the Vienna in which the young Italian Deputy Alcide De Gasperi had taken his seat in the Imperial Diet before the First World War, before becoming Prime Minister of Italy and one of Europe's founding fathers.

The elections to the Convention gave Europe a new momentum. The first truly European election campaigns brought everything which had annoyed Europeans about the EU into the open. During the intensive and tension-charged winter weeks at the end of 2007 and early in 2008 there was considerable discussion about legitimacy and acceptance, about Europe's role in the world, about values and the nature of Europe – more than at any other time in the past. Candidates and parties revealed everything not only about their opinions on obscure Directives on diesel fuel or chemical products, but also on European social security, the minimum European wage, which was now supported by almost every list, religious freedom and our continent's Islamic roots, which along with its Judaeo-Christian roots support the tree of Europe. Europeans wanted to enter into discussion, wanted to discover and help shape their continent for themselves at this crucial time of decision, without their enthusiasm for Europe being dampened by petty concerns about Europe's agricultural budget or minor scandals about MEPs' expenses. The joint appearance of Italians, Irish, Czechs and Estonians on the same list and at the same rally during the campaign impressed Europeans more than any token visit to the Parliament could have done. Europe became something tangible. When the British candidate at the head of the liberal list proclaimed in Vilnius in Lithuanian that Europe could succeed only if European politicians were to be voted in by Europe as a whole, the assembled multitude gave a lengthy ovation. Everything was at stake in this election campaign – and Europeans got their continent back.

The Convention, which met in the Hofburg on 15 February, was the continent's first parliamentary assembly to be elected by Europe as a whole and oriented towards Europe as a whole. National peculiarities and personal interests had played almost no role in the election campaign. Now the foundation of a new Europe could begin in earnest. The Parliaments of the nations of the Western Balkans, Turkey, Ukraine and Moldova had designated observers to the Convention who did not have voting rights. There had been a desire to limit the Convention to the actual Members of the Union in order to avoid putting any strain on its activities in advance by overextending them geographically. In the event the observers played a very active part and their contributions were not only enriching but sometimes also trailblazing. Thus it was in the Convention, in the spring of 2009, that the Turkish delegation – including Turkey's opposition leader – proposed in association with colleagues from the six founding nations that the prospect of membership should be extended to

EUROPE DAY, 9 MAY 2020

the nations of the Southern Caucasus – Georgia, Armenia and Azerbaijan – and explicitly acknowledged the Ottoman genocide of the Armenian people in its motion for a resolution. This gesture followed an invitation by the Mayor of Istanbul to an ecumenical service in the Hagia Sophia, the Church of the Holy Wisdom in Istanbul, at which the Orthodox and Armenian patriarchs of Constantinople officiated along with a senior Islamic clergyman.

On the eve of the elections for the European Parliament early in the summer of 2009 the work of the Convention was on course for completion. The Members of the Convention had in fact decided to submit their draft of the new constitution before the elections to the European Parliament if possible. On 9 May 2009 the time had come: the Convention presented the text on the basis of which the new Europe was to be founded. It was a consensus document: only 14 Eurosceptic members of the Convention had voted against the draft. A majority of three-quarters of all members was essential for its acceptance; the unanimity rule was deliberately set aside.

The new draft text was what was expected of a classical Constitution: it was brief, clear and concise, and restricted itself to the essentials. If the members of the Convention and Europe's political leaders had learnt anything from the defeats in the votes of 2007 it was that one cannot present Europeans with a highly-technical 500-page document during a referendum, because its content simply cannot be communicated. The new text was not even 100 pages long. In 275 Articles a pioneering work of Europe's constitutional spirit was on the table: a document which was not a disguised election manifesto, but rather a Basic Law in the real sense of the words; a constitution capable of mediation and explanation, and spiritually and emotionally tangible. The policy which for so long had burdened European Treaties with incomprehensible detailed provisions would have to follow later.

At last there would be a European Government which had a majority in Parliament. This Government would consist of as many ministers and deputies as there were Member States in the Union. There would be a similar number of ministers and deputies which the European Parliament would identify after each parliamentary election. The terms 'Commission' and 'Commissioner' were abandoned. After all, a government does not consist of commissioners, but of ministers.

The Head of this Government, the President of the European Union, would also head the Council of Heads of State and Government and lay down its agenda, while the Council of Europe would become a largely advisory body in which heads of national governments would be able to conclude political agreements with the Members of the European Government and national concerns about European political initiatives could be expressed. The Vice-Presidents would be the European Foreign Minister and the European Union's Minister of Financial Affairs.

JEAN SPAUTZ

The Parliament would elect the European President and members of the Government from among its own members, with a majority which would also support the Government during its term of office. After many years of blindly strengthening Parliament without gaining anything in return, the representative body of the people would now share the responsibility. If it could not succeed in putting a Government into office within 90 days of a parliamentary election, Parliament would be dissolved and new elections held. If the Government lost the confidence of Parliament the latter would have to elect a successor Government within 90 days. If it were not possible to produce another Government or majority, Parliament would consequently be dissolved and new elections held in the same way.

Parliament would acquire the right to introduce a bill in exactly the same way as the Government. In the interests of coherent and exclusively Europe-inspired legislation the Council of Ministers, the European Parliament's Second Chamber, would not be entitled to introduce a bill. There would no longer be any national presidencies of the Union. The Council of Ministers would itself elect a President in its different formations for a period of one year.

All of the Union's Member States would introduce the euro as a means of payment. The Constitution would explicitly designate the euro as the European currency. Within a short time it would replace the remaining national currencies. An authentic European economic and financial policy would be the basis for an integrated monetary policy. A European social policy worthy of the name would be created in exactly the same way: a common social security system would be created and a minimum European wage introduced. Companies which were active and employed staff in more than a third of Member States would be subject as European companies to a standard statute which would contain mandatory rules on social partnership and joint participation. At least once during each term of Parliament the European Economic and Social Council would report in detail on commercial realities in Europe and put forward proposals for improvements. Mobility of the workforce in the Union would be the rule, and the unemployed would be offered suitable jobs anywhere in the Union by national labour market authorities. This mobility would be financed at a European level with spending remaining far behind the sum of national spending on the funding of existing unemployment benefits.

The Europe of research, teaching, high technology and conservation would constitute a significant part of the continent's political endeavours. The study of European languages would be declared a Union objective: students should have a fluent command of at least three of the Union's languages. The language regulations in the institutions would for their part be drastically reformed. No other language would be admitted as an official language unless it enjoyed official status in at least two Member States.

EUROPE DAY, 9 MAY 2020

European foreign policy, under the guidance of the Foreign Minister and his deputy, would be determined by a majority vote. Security and defence policy would acquire the dimension without which it lacks any real significance: the Constitution provided for the creation of a regular European army, which would be the second pillar of this policy, alongside the European Police and Security Service.

These were the fundamental aspects of the projected Constitution which the Convention presented to the European public on 9 May 2009. The almost eight-week-long information campaign which followed was the most comprehensive ever experienced by the continent. The parliamentary elections were postponed for three weeks so that they could be held at the same time as the pan-European referendum on the Constitution. If the Constitution were accepted the provisions for the creation of a European Government would come into force immediately so that Parliament could elect a Government before the autumn.

During the elections to the European Parliament at the beginning of July 2009, 13 of the 28 Heads of Government of the European Union contended for a seat in Parliament. Europe had become important, and in practice its importance now overlay national policy in many Member States. There was scarcely a party to whom it would have occurred to enter token candidates in these elections. The number of candidates with previous experience of Government at a national level was up in the three-figure range. After the elections a large number of men and women who had previously been Ministers or Heads of Government moved up to the head of their parliamentary party groups. As a result of its new makeup there had been a sudden increase in the European Parliament's appeal, and in interest in its work.

But the best news on the Sunday on which the elections were held was that the citizens of the European Union had accepted the new Constitution by about 65% of the vote. Almost two thirds of Europeans had thereby given expression to their wish to raise the continent's political organisation to a higher, more ambitious level. The great European crisis, the schism which threatened the old continent, had been overcome.

On 15 September 2009 the first European Government was sworn in by the President of the European Court of Justice. It consisted of 14 ministers and 14 deputy ministers for whom a definitive title would still be sought during its term of office. Within ten years the number of Government members would rise from 28 to 43. The European President was not included whenever the number of deputy ministers was determined in the event of the Government having an odd number of members. On Europe Day 2020 a European Government held office which consisted of the President, 21 ministers and 21 deputy ministers. Over the years the deputies in their respective departments had assumed almost complete responsibility for interinstitutional relations. They had become a kind of European parliamentary permanent secretary responsible for the

JEAN SPAUTZ

smooth passage of coordination between institutions, the regularity of European lawmaking and relations with national decision-making bodies. The ministers themselves almost exclusively looked after the purely governmental business of the European Union. A few years after the Constitution came into force ministers no longer had to be Members of the European Parliament. The jolt which Europe needed in 2009 because of the significant number of leading national politicians contending for a seat in Parliament had happened. It was possible to return to 'normal Government', which in the interests of power sharing demands that non-parliamentary Europeans could also become ministers. Highly-qualified experts from a wide range of areas thus became members of the European Government. But Parliament's responsibility remained unchanged.

With its new Government and a Parliament which now consisted of a Government and an Opposition, Europe was an effective entity and could devote itself to the implementation of the provisions of the Constitution in its entirety. The foundations of the continent's political organisation were secure and would not be suspended again. Europeans had regained their confidence in European institutions.

Just before Christmas 2009 the Norwegians voted on their country's accession to the EU. This time a majority of more than 60% voted in favour of it – two years after a good 85% at the end of 2007 had wanted nothing to do with an enfeebled Europe. In the years which followed there was a steady increase in the Union's citizens' obvious contentment with European policy. The new institutions met their responsibilities, and even with only ten official languages the administrative process in Europe was a smooth affair. Europe performed well in the world. Social provisions were effective, and the mobility of Europe's workforce increased.

When, in a dramatic reaction, the authoritarian President ruling Belarus started to mobilise the army against his own demonstrating people, the European Government gave him an ultimatum: he had to resign within six months, organise free and fair elections and allow them to be monitored by the European Union, or he could expect the European Army to intervene. With the agreement of the Russian President, European troops were deployed on the Polish, Lithuanian and Latvian borders with Belarus. When those in power in Minsk realised that without the support of Russia, which was unwilling to risk an armed conflict with the European Union, they had no cards left to play, the first free elections were held there since 1994. Belarus was now finally en route to Europe. At the end of 2011 it was the last European nation to join the Council of Europe. Six years later it was admitted to the European Union, along with Turkey and the former Soviet Republics of Moldova, Ukraine, Georgia, Armenia and Azerbaijan.

EUROPE DAY, 9 MAY 2020

This is one course which European history might take in the years to come. Obviously it might be far less spectacular, but under the heading of 'Visions' it is sometimes appropriate to think up dramatic scenarios in order to prepare for them. It is not a matter of course that the final round of expansion will be mastered without problems in the long run. It is not a matter of course that all the Europeans who will be canvassed in referendums will approve of the Convention's draft Constitution, and it is not a matter of course that further accessions to the Union will take place harmoniously and quietly. Because of all these uncertainties we in the Union of 25 should today be ready to adjust to unconventional developments in the European cause. And if the vision of Europe set out here is intended to show anything, it is the determination of all Europeans, when all is said and done, to hold on to their historic project for unification in spite of every adversity, and fill Europe with life.

The words of Jean Monnet, according to which 'our task is to unite peoples, not states', will be of fundamental significance in the years to come, even more than in the past. Europe, the greater, wider and expanded Europe, has still to find a place in the hearts of many Europeans. We who every day work to build this human, friendly and emotionally tangible Europe must always be aware of that fact. Without that awareness among those who are responsible for the success of Europe, the history of the next few years might be as we have described them. As we have already said, that does not have to happen. And, to be honest, I myself would prefer to see the coming years proceed in a less spectacular fashion. But one that is all the more successful for the permanent and regular success of the European cause.

February 2005

Peter ŠŤASTNÝ

Head of the Slovak Delegation of the EPP-ED Group
in the European Parliament



A safe and prosperous Europe in 2020

On 1 May 2004 the Slovak Republic became a full member of the European Union. This, together with our country's accession to NATO, was the fulfilment of the most important objective to which our efforts had been directed since the fall of communism in 1989. Generations of Slovaks living for more than 40 years behind the Iron Curtain had longed for this and this was also the aim of the political party which we represent in the European Parliament, and which is a member of the European People's Party – the Slovak Democratic and Christian Union. By becoming a full member of the EU, we have gained the ability to play an active role and influence European policy. The vision of the European Union in the year 2020 thus becomes our vision, the vision of the Slovak Republic and of the party which I headed in June 2004, in the first European Parliamentary elections in Slovakia's history.

Our shared vision is that there should be a successful and prosperous Europe for all Europeans by the year 2020, an integrated region of independent, equal states, creating the conditions for a high standard of living for its citizens and for safeguarding their rights, freedom and security. The success of these aims is never guaranteed and, in order to achieve them, it will be necessary to further consolidate the basic principles and values on which the European Union is founded.

There are many concerns that I could mention in connection with this vision for Europe in 2020. The ones I personally consider to be especially important – among many others – are the need to focus our attention on raising people's living standards, and security for EU citizens. These basic aims are inseparable from each other. We can guarantee a rise in living standards only by enhancing the European Union's competitiveness in an increasingly globalised world and by achieving a high level of economic growth. We can guarantee the security of the EU Member States and their citizens only by deepening and strengthening the Transatlantic Alliance.

PETER ŠTASTNÝ

If we want to know what Europe will be like in 2020, we should not only concentrate on the vision of that distant future, but should first of all take steps to eliminate negative tendencies in the present and to bring about necessary, productive changes in the near future. The European Union, if it is to hold its own against increased competition in a globalised world, needs a high level of economic growth. At present, however, when one looks at the European continent and the economy of the EU, it seems that the European Union is stagnating. If the standard of living is to be maintained and further increased in the EU, Europe must move forward and must increase its economic growth. It is no news that the Stability Pact itself has been broken by the countries that established it. Europe's strongest economy, Germany, is now showing negative growth and has five million unemployed. Together with France, it is criticising the progressive reforms in the new Member States and complaining that they deprive it of direct investments, reducing the number of jobs and budget revenue.

The problem, however, does not lie in the new Member States, or in the building of a liberal, open-market economy in these countries. The problem lies elsewhere – in the persistence of socialist thinking in many parts of the European continent. The Slovak Republic experienced socialism in its worst form, so I know how dangerous it can be for Europe as a whole. The European People's Party must, in the coming years, become a bulwark against every socialist stereotype which impedes economic growth in the European Union. We must say a clear 'no' to each unnecessary encroachment of the state into the economy. We must say a clear 'no' to the high level of redistribution of resources and also, in this connection, to progressive taxation, high taxes and levies. This is the basis from which everything else in the economy must flow. This applies now, as it will in 2020. If the European economy is to prosper over the next 15 years, the socialist agenda must be eliminated from European economics. But the necessary process of change is far from complete.

Some of the larger countries in the EU will sooner or later have to reform their social systems and labour laws. The average life expectancy in Europe is increasing. Populations are declining and birth rates are steadily falling. But socialists in all countries assure us that the retirement age should be even lower than it is now. Simple logic tells us that if the productive population declines, it will be necessary to work longer hours. In some countries, the 35-hour week is unsustainable. There is no way to escape this reality. In Slovakia we have successfully reformed our social system. But throughout most of the European Union there are still social systems that do not demand any responsibility from people to encourage them to work, but rather they simply teach them to abuse the system.

The countries of the European Union now have, in some of the new Member States, worthy examples of appropriate, successful reforms of econom-

A SAFE AND PROSPEROUS EUROPE IN 2020

ic and social systems. But these are not the only things that need to be changed. Low taxes and levies and a free economy are, of course, a necessary condition, but in the long term not the only condition. This situation does not necessarily last long and even countries that have introduced low taxes may in the future face a shift of investments to countries outside the EU, where costs are lower, especially labour costs. If investments start moving outside the territory of the EU, then we shall have a real problem.

The European Union is well aware of its deficiencies. One of the attempts to increase the economic growth and competitiveness of the European Union has been the Lisbon Strategy. We already know that, in its proposed form, it is not and will not be achievable. Economically, the European Union is falling far behind the USA and the gap between them is not getting any narrower. Where is the key to Europe's success as a future economic power? In my view, it does not lie in common taxation, but in competition between the tax policies of the Member States and liberal economics, upon which the development of science, education and technology depends.

Quite recently, the new European Commission, under the leadership of José Manuel Barroso, introduced a new strategy with the aim of increasing GNP by 3% by the year 2010, and creating more than 6 million jobs. Unlike the Lisbon Strategy, which placed the emphasis on economic performance, social justice and environmentally sustainable development, the new strategy gives prominence to specific concepts such as productivity, economic growth and job creation. These new aims are much more realistic.

Apart from the above-mentioned elimination of socialist stereotypes in the economy, we must, in the coming years, put a great deal of effort into meeting the other crucial requirements that will determine how our vision of Europe in 2020 is fulfilled. This applies especially to areas such as the growth of the European economy and, linked to this, the quality of life for its inhabitants.

The first crucial requirement is an increase in spending on science, research and education. In Barcelona three years ago, the EU made a commitment that, from the year 2010 onwards, every EU country would annually spend at least 3% of its GNP on science and research. At present only Sweden and Finland do so. This leads me to ask: why does this requirement apply only from 2010 onwards, when even now it is overdue? Quite the opposite is happening. While expenditure on science in the USA sharply increased in 2003, some European enterprises even reduced such spending. As regards support for education, older adults should also be a target group. They constitute the main workforce and must therefore not be excluded from the educational process; on the contrary, the emphasis must be placed on lifelong learning. Some knowledge and skills can be gained only by experience, so it is also important to focus on exchanges of students, trainees and employees in the

PETER ŠTASTNÝ

EU so that they can interact with the wider world – meetings of researchers, scientists and specialists, and the building of common institutions where there will be an exchange of information – because this is the engine of today's rapidly changing and developing world.

I have never doubted that Europe has top-quality, highly skilled scientists, analysts and specialists who are the equal of – and even, in many cases, surpass – American and other experts. But the difference between the USA and the EU, as I see it, lies in the fact that the USA is capable of translating even minor scientific achievements and innovations into practice, and putting them to use, which is why the Americans are more successful than their European colleagues. One of the reasons for this is access to venture capital, which is lacking here. The EU must pay great attention to increasing its flexibility and its capacity to adapt to the new conditions and the knowledge which science creates. Slovakia, alongside its reforms in the economic and social spheres, would like to serve as an example in the field of the knowledge economy, where we consider the principal aims to be: development of the information society, science and research; investment in people and education; and continued progress in creating a favourable business environment.

A further requirement for successful development of the European economy until the year 2020 is the use of new technologies, among which I would include, in particular, biotechnology and nanotechnology. At present there are very important, much-discussed environmental issues and it is here that nanotechnology can play a role in reducing emissions and environmental pollution.

A very important requirement for the growth of the European economy is the streamlining of bureaucracy. I have the feeling that, unlike the United States, the legal and especially the administrative environment in many EU countries is not very conducive to free enterprise. The problems which small and medium sized entrepreneurs, in particular, have to face when setting up commercial companies may deter them from their aims, even before they have established their companies. European entrepreneurs also have to contend with bureaucracy during their subsequent activity. It is precisely in this area of creating suitable conditions for business that there is wide scope, both for the Member States and for the EU as a whole, to make real progress. This also applies to financial support and funding programmes: their terms and conditions are often very ill-defined and obtaining EU funding frequently depends not on the quality of the project, but on the quantity of paper used, and small or medium sized entrepreneurs, or people with good ideas, often have neither the time, inclination, nor the patience for this.

In the near future, then, Europe has two possibilities in the field of economic policy. If it continues with its present policy together with criticism of new Member States and does not, in future, increase its investments in science

A SAFE AND PROSPEROUS EUROPE IN 2020

and research, while, at the same time, it introduces a single Europe-wide tax, pushes through a high level of redistribution of resources with progressive taxation and does not endeavour to reform the social system and labour law, the result will be that in 2020 Europe will not be competitive, either in relation to the USA, or in relation to the rapidly developing continent of Asia. The EU can, however, choose another course – implementing economic and social reforms, developing and supporting education and research, and minimising bureaucracy and business regulations. Then, in 2020, not one of its Member States will be using low taxation and cheap labour as enticements; instead, they will be emphasising their added value – the technology, efficiency, quality and performance that they can offer, and in which they will even rival the USA. They will be able to offer Asian or other countries something that they do not have. I am glad to be the representative in the European Parliament of a party that has chosen this other option. It is now essential that the European Union as a whole follows our course.

I have always emphasised that competition is necessary in the economy. Competition between companies means that the best quality goods and services are offered to the consumer at the best price. Competition between the tax and social systems of different countries means that those countries create the best environment for business and, hence, for economic growth and job creation, which, in the end, can only benefit the citizens of the European Union. In these areas, competition is beneficial and indispensable.

However, economic growth and development are possible only in a secure environment. Security issues are proving to be vitally important today, when it is necessary to wage a constant war against terrorism, together with our allies in North America. During the cold war, the American presence on the continent of Europe and the Transatlantic Alliance were based on the idea that the security of Europe was of vital interest to the United States and that a threat to Europe was a threat to the USA and the whole of the western world. The danger of terrorism proves that such an alliance is still important today. The whole of western civilisation, both in Europe and America, is now threatened with terrorism. Only with our combined forces can we win this long, arduous fight.

The security of Europe in the period after the Second World War was strongly dependent on the transatlantic relationship, but already, at that time, there were attempts at an independent security policy for Europe, initiated mainly by France. Europe wanted then – as it still does – to take on its share of responsibility for world security. This attitude is absolutely legitimate; it is Europe's duty to become involved. However, in conflict with this endeavour of the European Union, there is the fact that there is no comparison between what the European nations are spending on defence and what the United States spends. This is exactly where the joint defence project is largely a fail-

PETER ŠTASTNÝ

ure. Although the European nations support it, very few of them are willing to increase their defence budget. Without increased expenditure on defence, it will never be possible to achieve a comparable status to the United States, let alone offer the kind of competition that many heads of state in the European Union dream of.

However, it should be understood at this point that, on the question of a joint foreign and security policy, the European Union should not be competing with the United States. In my opinion, this idea of competition between the USA and Europe on the question of security is devoid of any logic. Europe needs America and America needs Europe. Our alliance is based on shared democratic values and on ideas of a secure, peaceful world where the rights of every human being are protected and guaranteed. America needs a strong Europe. The USA is aware of this and it is precisely for this reason that, immediately after George W. Bush's election victory, the first overtures made by the American Government's senior representatives were towards their European allies. We would do well to take note of this on our side of the Atlantic, where anti-Americanism, often of the most primitive kind, is very widespread. With crises brewing in various parts of the world, e.g. Iran, Syria and North Korea, our alliance will be increasingly important. With our combined forces we must do all we can to forestall not only a global conflict, but also the serious threats posed by the worldwide Islamic terrorist network, which may have fatal consequences on our continent.

A step towards strengthening the Common Foreign and Security Policy is the Treaty on the Constitution for Europe. I believe it should be adopted soon. If it is not adopted, another document will need to be approved, formalising a common policy in the area of foreign affairs and security. This is necessary since a divided Europe is beneficial neither to the world nor to itself. Certainly, it will be difficult to reach a common viewpoint on sensitive issues of foreign policy. But it will be essential to do so, so that a situation like that in Bosnia or Kosovo is never repeated. At least in our own continent, we Europeans should be capable of 'putting our own house in order' without US intervention. Unfortunately, this has not been the case so far. This, too, is one of the crucial incentives towards creating an effective foreign and security policy. But it has nothing to do with competing with the USA. The less the need for US intervention in Europe and its immediate surroundings, the more freedom the American armed forces will have to settle remote conflicts that may pose dangerous threats for us, in our rapidly changing world.

The North Atlantic Alliance must remain, in the years to come, the basic structure within which Europe and the USA cooperate. In the founding treaty, the western nations undertook to defend their shared heritage based on the principles of democracy, personal freedom and the rule of law. The existing situation shows that in today's world, there is no other collective security

A SAFE AND PROSPEROUS EUROPE IN 2020

organisation that could achieve its aims more effectively. We must declare openly that, for our shared aim – a free and secure America and Europe – NATO is an irreplaceable institution.

There are many missions that we should aim to achieve as part of our vision for Europe in 2020, but two of these are absolutely essential – security and good conditions for economic development. We, as European politicians, must work towards achieving these aims by the year 2020. The world is changing rapidly and Europe, if it wishes to remain at the forefront of development, must do all it can to ensure that its inhabitants can live secure and decent lives.

March 2005

Ursula STENZEL

Head of the Austrian Delegation of the EPP-ED Group
in the European Parliament



A realistic vision of Europe

Since I am not a futurologist, but I have been able to gain *ten years' experience of Europe* in the European Parliament's largest group, I will not indulge in speculation. I will take as my starting point the EU as it is now and predict some developments that are foreseeable.

Firstly, I believe that we will have a *European Constitution*. It will probably be a different one from the one that is now being voted on in referenda or adopted in ratification processes. But I maintain that in the end, all the current EU members will sign up to a European Union Constitution, though possibly with reservations.

We shall probably learn some lessons from the current Constitution process. Probably we shall adopt a common method of voting on it. That means there would not be a separate referendum in every country that wanted one, but if there was a referendum it would be across the whole EU. Whatever the Constitution looks like in 20 years' time, it will apply to at least *28 countries*.

That means I am including of course Bulgaria and Romania with the current members, and also Croatia.

I am not going to risk a prophecy on whether Albania, Bosnia-Herzegovina and Serbia-Montenegro will be ready for Europe by then, although I would like them to be. But this would need at least a final clarification of the status of Kosovo. And at least at present, the prospects of a final clarification are not very good. Perhaps Macedonia will manage it within the next 20 years. That is quite conceivable.

I do *not* see *Turkey* as a member of this group. And at present not *Ukraine* either.

Although Turkey will begin accession negotiations with the EU, and all the EU Heads of State and Government have agreed to this, my view is that social developments in Turkey, and also the Cyprus question, will cause such difficul-

URSULA STENZEL

ties, and perhaps some of the referenda in EU countries will also put up barriers against this, quite apart from government changes (for instance in Germany), so that I consider that we will very thankfully offer Turkey an alternative along the lines of a European-Atlantic alliance.

This model could also quite possibly emerge from negotiations between the EU and Ukraine.

If Turkey becomes a full member of the EU in 20 years' time, this will be a full membership with significant exceptions, concerning agricultural policy and also freedom of movement for persons. We shall then very definitely have a Europe with *different levels of integration*.

For many, the so-called four freedoms will apply. For others they will not.

Because of its different historical development, Europe is not in a position to apply a one-size-fits-all policy. We can see this already, after enlargement to include the ten new Member States from Central Europe and the Baltic.

In 20 years' time, *social and living standards* may have levelled out to such an extent that we have a more or less functioning internal market with a free labour and services sector. Until that time, many exceptions will continue to prove the rule.

What I certainly expect is that most of the EU members will by then have the *common currency*. The euro is undoubtedly one of the major achievements of European integration, because it is more than simply a common method of payment. It is also, of course, a common commitment to a prudent budgetary policy. And it is a rejection of excessive debt.

I hope that in 20 years' time the authority of the *European Commission* as guardian of the Treaties will be so firmly established that it can impose sanctions in currency matters, as is intended, and that the EU members will also accept this.

At present things do not look so good with the euro. And the danger persists that everyone will act according to their own wishes and political opportunities.

The small, honest and frugal countries among us, Austria for example, tend to be seen as unfortunate models. But I consider that their example should be followed. Otherwise those critics will be right who predicted that the euro would be short-lived because there was no common European State.

This State, the so-called *United States of Europe* which is often evoked, will certainly still not exist in 20 years' time. But we are not going to call into question the integration we have achieved so far. Whether integration, i.e. harmonisation of laws and economic policies, will succeed in making more and more and increasingly different members more alike as they come into ever-closer union, I will not dare to predict at this stage. It is perhaps not particularly desirable either.

A REALISTIC VISION OF EUROPE

Many of course hope for *tax harmonisation*, because they think that this would prevent distortions of competition. But I also think that in 20 years' time there will be no unanimity on this issue. Because tax competition in moderation can very easily be a *local advantage*, as the example of Austria once more shows.

Where we basically need more integration is in the European answer to the general phenomenon of an *ageing society*.

There is nothing new in the fact that we are all getting older and are bringing fewer children into the world, but this situation requires the right responses. And these responses require European politicians to show courage, because the solutions are not obvious. As the demographic scientist, Professor Rainer Münz, stated in an ÖVP club paper, the dynamically ageing society is a concept that applies to the whole world, but particularly to Europe and Japan. By the middle of the 21st century there will be over 2 billion people aged over 60 in the world. The *difference between the European Union and the rest of the world* is that in European countries not only are the numbers of elderly people rising, but at the same time the numbers of people of working age are falling. In the rest of the world, however, the numbers of people of working age are rising more rapidly than those of the elderly. What can I conclude from that?

1. It must be made easier for active older people to stay in work. It must be made more attractive for employers to *keep people in employment for longer* and made less attractive for individuals to take early retirement with no reduction in pension. The EU can and should follow the example of the Austrian pension reforms here. And also of the measures that we have already implemented to use the experience of older people for longer in the workplace.

2. A longer working life in these social conditions signifies also that people must take more *responsibility for providing for themselves*. For the State-guaranteed pension alone cannot keep us in our dearly-won standard of living. The earlier we recognise this and say so to the European public, the better.

3. Both young and older people in employment need *lifelong learning*.

4. *Balancing family and work*. It must be made easier to integrate children into our society and provide a better environment for them. We need more flexible working hours and also appropriate childcare facilities during the day. But it must be possible to allow parents and guardians a choice. All-day schools should not be compulsory, but just one option. Women and also men must have the opportunity to look after their children at home instead of sending them to daycare and crèches. At least since Freud we have known that humans' characters are formed in the first three years. Therefore the EU's *family policy* must be given a much greater priority than before.

5. There can only be *immigration* if it is controlled. Most scientists are agreed that it does not solve the problem of an ageing population. We hope that immigration will provide future generations to pay pension and social security con-

URSULA STENZEL

tributions, but uncontrolled immigration primarily also means overburdened and overstretched social security systems. What we must do is to manage immigration according to the extent of national needs. This is another area where EU law must not restrict the Member States' freedom of manoeuvre.

Secure borders. This policy does not need fortress Europe, but secure borders. Secure borders, a common asylum policy and a much more efficient European system to combat *organised crime*. In this area we need more Europe and not less. But of course I am aware of the fact that even after Tampere it will remain difficult to achieve the European area of freedom, security and justice. The European governments laid the foundations for it in the Finnish town of Tampere.

But I consider that in 20 years' time Europol's efficiency will have increased, and that there will be a *European police force*, a comprehensive EU strategy and an action plan to combat corruption.

For this reason the EU will also have to develop its *common foreign and security policy* into a more efficient instrument. In today's global world, issues of internal and external security are closely connected. Partnerships with third countries with Community financial support must extend over 20 years to prevent illegal immigration, strengthen border control capacities and conclude repatriation agreements for illegal immigrants with countries, such as Russia, which so far have not concluded such agreements with the EU.

Strategies that fail through our own fault, like the visa affair presided over by the Green German Foreign Minister Joschka Fischer, must serve as a warning.

Naturally we must do everything we can to build up a *network of relationships with third countries* which in the long term will curb the pressure to emigrate. This should of course include balanced market access for Third World countries, not only to Europe but also to the USA, Japan, China, Korea, to all the economically dynamic countries. There must be other options than the EU opening its market unilaterally, under the slogan 'everything except arms'. This is a handy slogan but leads to serious problems, for example for European agriculture.

In 20 years' time we shall no doubt still be engaged in the struggle for *liberal and open world trade*. It will be like disarmament was in the Cold War era. We talked about it a lot and never achieved it. It will be the same with world free trade. We shall talk about it a lot but never completely achieve it, but it is a target that we should keep in our sights, particularly if we want to stimulate European economic growth.

Growth and employment in Europe urgently need a boost. In 20 years' time perhaps the next Lisbon progress report will look better than the current mid-term report. I am convinced that with the current Commission work programme which was adopted in Parliament with broad agreement, there is a good chance of increasing growth and employment. Even just concentrating on a few objectives, such as economic growth, research policy and gradual liberalisation of

A REALISTIC VISION OF EUROPE

the labour and services markets, is pointing us in the right direction. Even if many measures under this strategy mean temporary cuts, in the long term it will improve the EU's competitiveness. This is urgently needed, in view of the pressure that we are facing from the dynamic resurgence of China as a world power.

We Europeans in 20 years' time will still have to compete and come to terms with the *USA* as a *world power*. We will also have to hold our own against *China*. EU enlargement can be very useful, beyond neighbourhood politics, for example if the Ukraine has EU ambitions. But we also need a clear EU strategy towards Russia, the USA and Asia.

I hope that in 20 years' time we will not be confronted with an unlimited spread of *weapons of mass destruction* and *regional nuclear powers*. If we want to prevent China, Japan, Taiwan and North and South Korea from engaging in a nuclear arms race, we must find a way to deal with them now. European and American strategy must be coordinated.

There is a second scenario that seems to me even more dangerous, *Iran as a nuclear power*. Whether the EU, with Germany, France and Great Britain working together, will be able to persuade the theocratic regime in Teheran to renounce nuclear weapons, will be a test for the credibility of European foreign policy. If this does not succeed, the first consequence will be a deep crisis in the Middle East. Secondly in 20 years we shall still be regretting that the USA isn't taking us seriously and be opting for the seemingly easier way of an uncoordinated, one-sided, unilateral policy.

Then in 20 years we will note with regret that the EU is certainly a '*big payer*', but not a '*big player*'. But this is by no means an unwritten natural law. It can be changed, as long as we have the political will to do so.

March 2005

József SZÁJER

Vice-Chairman of the EPP-ED Group in the European Parliament
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A community of communities

Introduction: A vision of Europe – a vision of oneself

Our vision of Europe and the European Union is closely linked to the way we think about ourselves: our local, national and even regional self-image, as well as our most important aspirations. That is why we will attempt to look at in this short paper various aspects of community that together make up the European Union.

In this respect, it is probably important to mention a fundamental thesis of Hungarian foreign policy that has characterised our discourse and approach towards the European integration process: *Hungary is not a new member of modern Europe*. For more than a thousand years, Hungary has been a member of and contributor to creating and shaping the Continent. During our tumultuous history, this belonging was threatened and even interrupted several times; however, the clear European vocation of Hungary and Hungarians was never put into question. The same thesis can equally be stated about several other Member States that joined the EU in 2004, or will join in later years.

It is often said about political integration that weak and powerless countries can easily be at a disadvantage while strong, powerful ones can gain new strength from it. Strength, however, can be interpreted in different ways: indeed the European integration process is a good example of how intellectual and visionary strength of an otherwise small country can lead to a primary role in the process. We feel, therefore, that it is indispensable that our country as well as all other Member States should have a firm and well-elaborated vision of the future of Europe, and about the tasks its attainment involves.

This has a major significance in the Union since, for the first time in history, a *true constitutional process is underway*. In other words, the EU is still not a ready-made political entity: its future direction is very much in the hearts

JÓZSEF SZÁJER

and minds of its citizens and their political representatives. All may thus contribute to the construction of the European Union of the 21st century.

Defining national and European interests

An essential issue when talking about the dichotomy of national and European interests is taking a position regarding the classical controversy or competition between '*Europe above nations*' and '*Europe of nations*'. It is our initial consideration that we have to step beyond the scope of this controversy, and rise above this debate. Two points for a breakout offer themselves here. One of them is to strengthen regionalism, the structure of local self-governments, the other one is to recognise and accommodate the communities of people that in many cases transcend the boundaries of a given area, for instance national minorities. If we connect these two theorems equally based on the principle of subsidiarity, then we must also recognise local and community autonomies and local self-governments. *These will have to play a decisive role in shaping the future of Europe.*

'Europe above nations' would mean that a European United States would be created where the majority of decisions would be made far away from the people and their communities. It is not above the Member States where the Union has to be formed, rather more the Union has to provide for the efficient co-operation of its members. The 'Europe of nations' concept on the other hand cannot be endorsed not only because in this case the term 'nation' is inaccurate (it indicates only the political nation), but also because those who represent this concept hold as a starting point the fiction of a homogeneous nation state by tradition. The rejection of this fiction as well as the enhanced recognition of decentralisation, subsidiarity and self-governance have been the most important conditions for the success of European integration so far, and, in our view, shall remain so also in the future.

It is my conviction that national interests in the future European Union must be observed along with respect for the common good of the Union. Member States should represent their own position consistently while considering the common interests of the Union at the same time. The European Union has long passed over its initial phase when only economic integration and co-operation dominated the process. The EU cannot function like an economic association where the shareholders are eligible for a dividend in proportion to their share of the registered capital. When the aims of the Union are set and when choosing the means to be used, *solidarity among nations should be decisive, and indeed it should become stronger.*

A COMMUNITY OF COMMUNITIES

Europe – A community of communities

The concept 'community of communities' underlines the importance of subsidiarity and the strengthening of local self-governments. It also puts an emphasis on the enhanced recognition of communities that may be independent from countries or regions. It is for this reason that the scopes of authority that stay with the institutions of the Union should be enhanced, however, strictly in the areas where community action is more efficient compared to that or below the national level. A modern European Union perceived as the 'community of communities' just as the notions of nation and democracy are one another's pre-conditions. They are in close correlation with one another, and they can best be accomplished in the framework of European unity.

The ways of practising the competences of the Union should by all means be transparent, responsible and democratic. Consequently, in the decision-making of the Union, *the role of national Parliaments must not be emptied, as they are the principal representatives of sovereignty*. In the institutional triangle of the Union, the European Parliament and the Council have to co-operate efficiently in order to avoid even the appearance or pretence that decisions are made above the heads of citizens. The Governments of all Member States on the other hand have to assure that the opinions of their national bodies of legislation are taken into account before any position is finalised in the Council. It must be underlined, too, that *the strengthening of the European Parliament* – the only directly elected representative institution of the European Union – should definitely further increase. Indeed, the further '*parliamentarisation*' of the EU seems the best way towards democratising the EU, and achieving a more direct link between the lives of ordinary European citizens and the Union.

Reconciliation as a prerequisite and an added value of the Union

It must be stressed that the European Union has proven to be both an excellent enforcer of reconciliation between formerly hostile countries or regions before they joined the Union, as well as it has shown to be an historically outstanding preserver of peace amongst its Member States. For Hungary, for instance, joining the European Union also served as an instrument of national reunification. In May 2004, instead of 10 million Hungarian citizens, approximately 10.8 million Hungarians became citizens of the Union together with the Hungarian minorities in Slovakia and Slovenia. With Romania's accession, the number will grow to about 12.4 million. Within the European Peoples' Party it is particularly worthwhile to insert the autonomy of minority communities within the concept of subsidiarity – by tradition considered as a Christian Democratic principle.

JÓZSEF SZÁJER

We believe that reconciliation and the preservation of peace should remain central to the values of the EU. This has special relevance in the foreign policy priorities of the Union, and especially in its neighbourhood policy. It is of high importance that the European Union should first of all have a firm and effective presence in its neighbourhood. In other words, the Union should accommodate and incorporate the problems and challenges of its new Member States. The way the EU and especially the European Parliament provided a strong sense of support for the democratic movement in Ukraine in 2004-2005, should serve as a good example of a bold and progressive foreign policy.

The EU will also build up its own defence capabilities: should it wish to take an autonomous position after consulting with NATO it should be able to proceed accordingly. *While the EU should become more prepared and more able to act in foreign and defence policy, in our view it remains a common interest that NATO should continue to fulfil the role played in global security.*

Besides raising awareness about our priorities, we also need to show a receptive attitude to the sensitivity of others. In the case of the Union it means that we need to recognise what significance the Mediterranean region has from the aspect of the future of Europe. Beyond understanding the problems there, we also need to elaborate our own policy for maintaining contacts with the countries of the Mediterranean. In the interest of our security and endurance we have to strive to achieve that the Union should continue to share the financial burden we need to assume for the protection of our external borders.

What Europe at what speed?

What position we take regarding the issue of a two or multi-speed Europe seems one of the fundamental questions, as the EU expands step-by-step to include the whole of the European continent. First of all, some clarification of the concepts should be provided. The two-speed Europe is a present-day reality (for example Denmark, Sweden and the United Kingdom are not members of either the EMU or the zone covered by the Schengen Agreement); however even despite these 'opt outs', chosen in a free manner, we cannot speak about a final state of affairs. Therefore the term 'speed' is correct, because the finality is shared by the Member States although they achieve it at different points of time. There is no particular problem regarding 'enhanced co-operation' either, as in a particular case it can even give an impetus to the integration process, supposing that it complies with certain fundamental criteria, e.g. openness and encouraging those who opted out to catch up. The concept of a 'hard core', however, may entail a fundamental problem. A 'Europe of concentric circles' poses the danger of strengthening internal forces of disintegration. In a certain way, the common European vision would be lost. This eventually could put the whole process of unification in danger.

A COMMUNITY OF COMMUNITIES

Stability has been the most decisive value of the European Union. It has been based on three pillars: democratic decision making, a balance in its external relations and via its system of economic regulations, and its continual strive to create political unity. For this reason, *the European Union for us is the reality that can be grasped in its moral sense*. It is on this note that we assume severe burdens, this is why we request help to bridge over our difficulties, and it is for this reason that any new division in Europe would be intolerable for us, should it be along the categories of old and new, them and us, slower and quicker, or poor and prosperous. Reaching consensus about the direction and quality of the European integration process has been and no doubt will remain an arduous and at times frustrating process. However, the starting point of the Founding Fathers of the European Union of *moving forward together and only on the basis of consensus must be preserved*.

Competitiveness and social cohesion

For Europe, the greatest social-economic challenge today is how to become more competitive in the global economy while preserving social cohesion. Closely connected to this is whether the Union proves to be capable of carrying out the *Lisbon Strategy*. According to the Lisbon strategy approved in March 2000, the European Union has to establish the most competitive and dynamically developing, knowledge-based economy in the world, coupling a sustainable economic development with the provision of more and better jobs and an enhanced level of social cohesion.

Knowledge, the provision of jobs and an enhanced ability to work should be the focus instead of a charity-based approach. The State plays a role in areas such as the training of manpower, building a knowledge-based society, helping small and medium-sized enterprises, accelerating major investments in the infrastructure. It is to be underlined that the Union should continue to see *life in the countryside and agricultural activity as a source of richness* – culturally as well as socially – and not a burden.

Interests and values

The external framework for having national interests observed consists of the system of institutions in the Union, on the one hand, and the hub of relations among the Member States on the other. These two areas are closely connected, and together they provide us with a rather complex system of terms and conditions. Member States achieve the observation and reconciliation of their interests within this system. It is the task of all members of the EU to contribute to the evolution of the ways in which particular interests are expressed

JÓZSEF SZÁJER

and then harmonised as much as possible with the common interest of the Union.

Equality amongst Member States in this respect is crucial, and it must be a priority for the Union for the years ahead. This remains a high point on the agenda since accession criteria do not incorporate (at least until the end of 2006) the enforcement of the equality-principle, neither regarding the shares from the Structural or the Cohesion Funds, nor with respect to the direct subsidies for agriculture (in this latter field the discrimination will be maintained also after 2006), and the same goes for many other fields as well (e.g. the possibility of using safe-guard clauses and discrimination in the free movement of labour).

We see the principle of anti-discrimination as a fundamental value of the Union for the future, and one that comes naturally from the traditions of Christianity. As a member of the family of European Christian Democracy, I am convinced that in the long run *the future of the Union depends on the degree of realisation of fundamental Christian values.*

March 2005

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The kind of Europe we want

What kind of Europe do we want? A federation of nation states based on the principles of solidarity and subsidiarity, and on respect for human dignity.

A Europe which is strong in political terms, and plays a leading role in efforts to promote peace at international level. A Europe which is a favoured partner of the US today and China tomorrow, and can deal with them on equal terms.

A Europe which is destined to extend its own frontiers, while paying careful attention to Russia. A Europe which has common policies on external affairs, defence, security and immigration.

A Union which decides on the broad themes and leaves all other powers in the hands of its national states, its regions and its great cities.

A Europe that makes everything its business is a weak Europe, and a weak Europe is in danger of trampling on its citizens' freedoms. It must become the citizens' Europe, with parliaments playing a stronger role than they do today.

The adoption of the new Constitutional Treaty offers an opportunity to remodel the Union's institutional structure.

A Europe with which the majority of European citizens can identify; consisting of the more transparent and democratic institutions that we all want, that promote public debate in the various countries and establish forums in which grassroots demands can be heard.

But, it seems to me, opening up the institutions to input from the main social and cultural players also involves reappraising their role and importance, and redefining the institutions in a way that fundamentally recognises the wealth and vitality of our civil society.

We have to understand that the gradual erosion of national sovereignty which is such a striking feature of the current globalisation process should not give rise to any attempt to set up a new European state based on the

ANTONIO TAJANI

hypothetical notion of supra-national sovereignty, let alone to build up a powerful bureaucratic system as the basis for a new Leviathan of that kind. Any such attempt would, by failing to take account of national interests and the need for democratic consensus, lead to a Europe which was not only illiberal, but also unstable.

A Europe that recognises and values the pluralism of social institutions and regional and local communities, apart from helping European citizens to promote their own welfare and happiness.

A Europe based on establishing a framework of harmonised rules, subject to the principles of horizontal and vertical subsidiarity, and which allows for the existence of a variety of organisational systems capable of accommodating a wide range of separate – national or other – interests, without seeking to control everything and impose plans from the top down. A system that addresses the problem of democratic consensus in the Union at all the existing institutional levels, without pursuing the illusory dream of establishing an institutional means of bypassing them.

But the ‘open model’ will be able to function only if it recognises the role played by the constituent elements of the society which the institutions are supposed to foster.

I wish to focus on two players which, for different reasons, play a vitally important role: the churches and business.

The churches, and religion, play an important role in maintaining Europe’s social fabric and defining the cultural identity of the whole continent. We must acknowledge the important part played by our Judaeo-Christian roots – together with the Enlightenment, Roman law, universities, the Latin language – in creating the ‘idem sentire de re publica’ (shared conception of the State) without which no political community can survive.

Because institutions and society must remain separate and the former must not suppress the latter, but support it, it is essential to recognise and uphold the true worth and dignity of the churches and religious communities which play such a vital role in citizens’ lives (in the voluntary sector, for example) and make such an important contribution to defining the values that underpin our notion of civil society (the centrality of the individual, social pluralism, cultural autonomy, solidarity).

I should like to remind those who view the role played by religions with suspicion the words of an Italian philosopher with a certain secular following, Norberto Bobbio. He was an intellectual who felt that religion was necessary for democracy itself. ‘Until’ he said ‘there exists another force capable of providing the inner motivation that leads to action, we must accept the idea that religion is necessary’.

The second social force to which I wish to draw attention is the multitude of public, private or cooperative businesses which help to secure our well-being.

THE KIND OF EUROPE WE WANT

The Union must, as the founding fathers argued, strongly entrench the will to unite Europe and to maintain peace by promoting the wellbeing on which peace depends to such a great extent. 'Freedom to conduct a business' is currently dealt with rather summarily under Article 16 of the Charter of Fundamental Rights of the European Union, among all the other rights listed. The Union must accord due importance to freedom of enterprise (and to modernising the welfare state) in the course of liberalising economies to achieve beneficial competition. The Union must become more effective in economic terms to avoid being reduced to a bureaucratic management and planning system. Instead, it must promote a competitive federalism where freedom of competition both enhances the efficiency of competing countries and cross-border regions and fosters production networks which function independently of the nation states' territorial limits as a result of the increasing interdependence of economic systems.

If we succeed in achieving the great challenge of ratifying the EU Constitutional Treaty we shall build – to quote one of the most apposite remarks made by President Valéry Giscard d'Estaing in his opening speech to the European Convention – a Europe which really is a great area of opportunity and growth for its citizens.

September 2005

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The era of international interdependence. The ecology of cultures and the role of the EU

A new world has been coming into being over the past two decades, during which time we have experienced unprecedented change as globalisation unites the markets for products, services and capital. New productive structures are emerging on a global scale.

The 21st century has the potential to become a century of social responsibility, with each citizen actively involved and playing a central role in history, assessing and participating in decisions. Each citizen playing his part as an ideological agent, a productive actor. The active participation of citizens is inevitable as we advance towards an internationalism in which the individual must be the agent of ideas and initiatives in all three manifestations of globalisation: the economic, with emphasis on individual initiative and enterprise, the cultural, as an agent of aesthetic choices, and the political, as a carrier and shaper of ideas. Moreover, the initiatives of politicians appear to have reached their limits as a driving force for European integration. This process must increasingly be in the hands of the citizens, and must spring from a diversity of views together with an acceptance of the new and the idiosyncratic.

In this way, the diversity of European civilisation is also ensured as it develops further and so we are not led into a cultural homogeneity, because this in turn would cause culture to ossify, depriving it of its humanistic dimension, an element which came into being as, and still constitutes, the foundations of Western civilisation.

The process towards European integration or internationalisation, which has been extended to the greater part of the continent, especially since the collapse of the Soviet Union, is in many ways influencing not only the existence of new political institutions and functions, but also the daily life of the EU's inhabitants.

IOANNIS M. VARVITSIOTIS

Along with issues that cover the economy, security and function, the course of integration is influencing and contributing to the development and promotion of new ideas and cultural stimuli.

We Europeans at the beginning of the 21st century are witnessing the conscious attempt of our culture to surpass the experiences of our long history. In the new epoch which is beginning, political thought and action cannot be confined within national boundaries. We must become aware that we are no longer living the historical experience of a people, but of a whole world.

The theme of the 'Rape of Europa' is reappearing in the history of Western civilisation, raising the concept of uniqueness and creating the basis for a new mythology. Moreover, Western civilisation, which is ageing dangerously, seeks renewal by means of a 'Faustian' ideal which frees man from his Euclidian confinement within an easily comprehended body, within the concept of a city-state, within its national boundaries.

The concept of preserving the values of civilisation, which is disputed in our times, can escape stillbirth by acceptance of stepping beyond the confined space and incorporating other perspectives and dimensions. The vision of the Europe of the future must be based on the essence of humanism, and the understanding of our existence through our position in the world, by debate and by analysis.

The quest of future generations must be for the internationalist understanding of society in which the individual, the citizen, will play a modulating role. With the end of the Cold War, the 21st century is characterised by a new structure of the global space, with the collapse of borders at the economic level, the spread of information, and the development of digital communications, providing increased access to knowledge. This new reality is leading to a widening of the role of local communities and, by extension, the role of citizens as they face common social problems, unemployment, alienation, crime, and insecurity.

At the same time, regional cultures must be accepted as being of value, and particular importance must be attached to the ecology of the cultures, however apparently small they are, however weak or without influence. Great historians and visionaries have converged in the view that the rejuvenation of the 'metropolis' is strengthened by the influx of new ideas from the periphery. There are in world history many examples of powerful empires which finally come to an end when they have fully absorbed their last peripheral region. This is the theory of entropy in isolated systems. In the absence of friction the system will proceed to its collapse. The EU must therefore seek to open itself to new influences.

I believe that in this climate of *a priori* political and economic interdependence with the EU's neighbours, the creation of an enlarged area of political stability and legal order will lead to the mutual exchange of cultural and ideological capital, and consequently to a wider social cohesion. It will therefore be

THE ERA OF INTERNATIONAL INTERDEPENDENCE

necessary to address the issue of incorporating an ever-growing number of countries, by creating a new institutional framework: a way of incorporating those to which we cannot grant full accession. We can create a European Commonwealth of Freedom and Prosperity – ECFP.

A year ago the European Union launched a European Neighbourhood Policy (ENP), the aim of which is to form links with all the countries which surround it, both in the east and in the south. This policy will lead the European Union to define its borders, without excluding its closest partners from politico-economic development and co-operation. Thus, the European Union of 27 (with the imminent accession of Bulgaria and Romania), will be further extended with the ENP, and will acquire a more dominant position globally.

The ENP, despite the fact that it is still in its infancy, needs to acquire an institutional foundation. Politico-economic cooperation and development aid to the participants alone could be neither satisfactory nor sufficient to respond to their aspirations. The creation of an institutional framework simultaneously with the means for a partnership and neighbourhood policy would make this policy more attractive and consequently more worthwhile for the participating countries. Also, if a candidate country for accession to the EU was encountering difficulties in that process, it would be able more easily to examine the possibility of its participation in the ENP, because it would be in its interests politically and economically.

As of now, constituting a *European Commonwealth of Freedom and Prosperity (ECFP)*, which would be, in a sense, an enhanced version of the British Commonwealth, the EU with its partners, will be in pole position for peace, freedom and prosperity.

The Commonwealth will consist of the EU's neighbouring countries which are already included in the European Neighbourhood Policy (ENP), and which have a 'special relationship' of strengthened collaboration with the EU and also among themselves. The Customs Union will apply for all, in addition to the planned provisions of the ENP (such as the creation of a funding mechanism which will incorporate the TACIS and MEDA Programmes). However, the free movement of their citizens in EU countries will not apply, nor their participation in the Community decision-making bodies, nor, of course, in the common currency. They will, however, receive subsidies in a number of sectors (like the infrastructures, energy, transport, the environment etc.), and will enjoy a number of additional advantages. For example, there will be no need for their citizens to have visas for travel to the EU, which is a new element in relation to the ENP. The economic and other advantages of this 'special relationship' of Commonwealth Member States will be very substantial, in relation to 'third countries', so as to constitute an incentive for accession to the Commonwealth, but they will not approach the advantages of full membership.

IOANNIS M. VARVITSIOTIS

There will be a Parliamentary Body – consisting of representatives of the Euro-Mediterranean Assembly for the Mediterranean countries, the national parliaments of the other countries, and the European Parliament – which may meet twice a year and issue resolutions on matters relating to policies of Economic Development, Social Convergence, Security and defence of common principles – within the communities of the Commonwealth, but also internationally. This will ensure cooperation between all these countries on a horizontal, sectional and regional level.

The decisions of the Parliamentary Assembly will be of an advisory nature, but may serve as the basis for the formulation of separate decisions by the national parliaments of the Commonwealth, by the European Council, and by the European Parliament, in accordance with the constitutional provisions of the national states and the European Union.

The countries of the Commonwealth will be under an obligation to maintain peaceful relations amongst themselves and with the Member States of the Union. If one of them provokes a confrontation with another member of the Commonwealth or with EU Member States, this may constitute a reason for their expulsion from the Commonwealth.

The Commonwealth may be announced relatively soon (as soon as consultations on its institutional framework are completed) and its formation may start with the prospect of including, within a decade, countries of the Southern Mediterranean (Morocco, Tunisia, Algeria, Libya, Egypt, Syria, the Palestinian state to be created, and Israel, if they so wish). The conditions for their participation will be the same as are required by the EU in the framework of the Partnership and Cooperation Agreements or the framework of Euro-Mediterranean Cooperation.

The formation of the Commonwealth also gives us a valuable *fallback solution* in the event that the full accession of an applicant country in the European Union encounters serious problems. If an applicant country cannot accede or if it is finally rejected by any European Member States, it will be able to join the Commonwealth. The alternative prospect of acceding to the Commonwealth instead of the Union would allow a response to possible anti-European pressures inside the applicant country but also in the EU.

The Commonwealth will constitute a valuable ‘antechamber’ in which the countries on the European periphery can converge more quickly and more securely with the EU, under a steady peer pressure. ‘Horizontal’ pressure from peers is often more effective than ‘vertical’ pressure (from the EU).

Finally, a zone of countries with European orientation will be created around Europe, which will widen the EU’s economic sphere, strengthen its security, and increase its status and influence internationally, without additional economic burdens and without its internal equilibria being periodically disturbed.

THE ERA OF INTERNATIONAL INTERDEPENDENCE

In some way it will also finally solve the dilemma, which has traditionally troubled us, between continuous enlargement and the deepening of integration (*Enlargement vs. Consolidation*).

The Commonwealth will permit the deepening of European integration without obstructing enlargement (as this proceeds through the Commonwealth). It will, in good time, defuse all the problems which are beginning to manifest themselves today (and others which may emerge tomorrow) within Europe, and will promptly overcome any new dilemmas and new polarisations within the Union, before these damage its unity. It will unify us and strengthen us at the same time, without additional cost and clearly with less risk.

Even if the political leaderships continue to play an important role, especially on major issues, it is essential that the European edifice should acquire a more democratic, and consequently more political, character. The descendants of those who originated concepts of the national are called upon to achieve the supranational. Furthermore, there is need for a new vision which can be understood and assimilated by future generations of Europeans. There is a need for the relationship between the aims and actions of the EU to be visible. The European integration enterprise is showing signs of ageing and fatigue, like the majority of those who direct it.

To the extent that the European institutions prove inflexible, they will be limited to management or at best to regulation of the single internal market.

The question of how one can reconcile democracy with constantly increasing international interdependence is a problem which clearly exceeds the boundaries of the EU and is linked with the whole process of globalisation. Current terrorist activity has upset the sense of stability that followed after the fall of the Berlin Wall, and disturbed the foundations which would have been established on human rights. Humanist Europe is being shaken by religious fanaticism and nationalism within the nations, and terrorism is finding fertile ground in underdevelopment and poverty.

Our future prospects will match the scope of our visions, and this scope varies in proportion to our political, economic and social reference points. In order to surpass what Europe has experienced in recent decades – since 1970 – with the ending of technological humanism, and in order to escape from the uncoordinated achievements of our civilisation, we must develop the political sense and means which enable us to set noble visions for the decades ahead. A basic parameter in these visions must be good neighbourliness and creative interdependence.

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European heritage and the European task: Europe 2020 – A cultural and value-based community

Some 2500 years have passed since Herodotus of Halicarnassus, the Greek historian from what is now Bodrum in Turkey, wrote the following words: 'As for Europe, no one can say whether it is surrounded by the sea or not, neither is it known whence the name of Europe was derived, nor who gave it its name'. Even today, Europe is still hard to define, for Europe is not simply a vague geographical term. As the French philosopher Henri-Bernard Lévy said, Europe is, above all, 'an idea'.

Politicians such as Jean Monnet, Robert Schuman, Alcide De Gasperi and Konrad Adenauer began the process of giving shape to the idea. Europe has found a new form, partly through the European Union. The yearning for peace, stability and prosperity created the willingness to engage in cooperation. It was the experience of two totalitarian regimes which drew people together, initially in Western Europe, but it was also the awareness of their shared origins which gave substance and force to the European idea.

During the Communist era, the people in the countries of Central, Eastern and South-East Europe were especially insistent that they belonged to Europe, not only in geographical but also in intellectual and cultural terms. 'We have come home!' said Poland's Prime Minister on 1 May 2004 when his country joined the European Union. The sense of belonging together outlasted Europe's decades of division and proved sufficiently durable for the continent to be reunited.

The idea of a Europe united in peace and freedom has become political reality. But has the European project – 'an endeavour that establishes values and gives purpose', according to Raymond Aron, who would have been 100 years old this year – reached its goal? Without binding values and intellectual foundations the Union would never have come into being, and without them the Community will not be viable in the long term. The fact remains: Europe cannot and must not be organised solely on a pragmatic and short-term basis.

BERNHARD VOGEL

Europe needs firm foundations and a deeper awareness of its cultural and value-based dimension. Preserving and maintaining our European heritage is part of the European mission. The vision of Europe in 2020 is also the vision of a cultural and value-based community. 'Endeavours that establish values and give purpose' have already been undertaken, but they are not enough.

After the Second World War, the fundamental values – respect for human dignity, liberty, democracy, the separation of powers, the rule of law and social responsibility – were never disputed within the European Community and formed the intellectual basis for Europe's nations to grow together. This value base was experienced by citizens but was largely invisible to them. 'European' fundamental rights existed solely in the form of 'unwritten judge-made law' handed down by the Court of Justice of the European Communities.

With the draft Treaty establishing a Constitution for Europe, the Charter of Fundamental Rights of the European Union will acquire binding legal force. Despite containing no reference to God, the Constitutional Treaty provides some of what has been missing in terms of Europe's 'soul' and 'spirit'. At the start of the text, the values on which the Union is founded are listed in Article 2: 'human dignity, liberty, democracy, equality, the rule of law and respect for human rights'. The draft Constitution makes it clear that a broad shared value base exists in the Union, beginning with the inviolability of human dignity. Sadly, the expectation that a succinct, transparent and universally accessible text could be produced has not been fulfilled. The draft Constitution runs to more than 400 articles.

Nor was it possible to adopt the draft Constitution before the EU's enlargement. It is still uncertain at this stage whether the Constitution will be endorsed in all the EU Member States. We can only hope that we are spared rejection of the Constitution in any of the Member States. However, even assuming that there will be a Constitution in the foreseeable future, the debate on European identity will continue.

The issue of the Community's substance, development options and objectives is more pressing than ever. Ultimately, it is one of the factors which will determine the absorption capacity of the EU in future. How do we define the Union? Where do its borders lie? How will we shape long-term relations with the EU's neighbours? What role should Europe play in the international community? We still have no definitive answers to these questions. Nonetheless, we have no option but to map out a fundamental concept for Europe's future very soon. A great deal depends on this, including, not least, whether Europe is able to secure its citizens' endorsement.

As yet, there is little identification with the European Union among its citizens. It is certainly too weak for anyone to expect it to make a substantial contribution to stable long-term development. Whenever European elections are held, again in June 2004, turnout is lamentably low. National, not European,

EUROPEAN HERITAGE AND THE EUROPEAN TASK

themes are the focus of public attention. Europe, it would seem, is a matter for politicians, bureaucrats and parties; the citizens keep their distance. Yet the Union cannot just be shaped 'from the top down'; it must also evolve 'from the bottom up'.

The key issue in the coming years is this: will the Union's citizens support the current integration process? Among Germans, EU enlargement meets with only limited approval. That is one of the main findings of a representative poll commissioned by the Konrad Adenauer Foundation in late 2003: 59% of respondents believe that enlargement has come too soon, 85% are afraid that many German companies will face difficulties from low-cost competitors from the accession countries, 83% see immigration increasing, while 74% voice concern about their own jobs in this context.

Scepticism prevails in all the old Member States, but it increases the closer we get to the borders with the new Member States. The willingness to show solidarity has its limits. Eurobarometer polls reveal that the citizens of the Fifteen have 'little confidence' in people in the accession countries. Experience has shown that the accession of poorer countries has a negative impact on transnational confidence within the EU. It is undoubtedly a serious test of the EU's cohesion when the number of Member States whose national income lies well below the EU average increases significantly.

In the accession countries, too, the European Union is losing its lustre. Enthusiasm has given way to disappointment in some places. Only around 30% of Latvians and Estonians, for example, now see EU membership as a good thing. The economic upswing is proving to be a more difficult and prolonged process than anticipated. Social conditions have not improved for everyone since 1989. Indeed, for many people, they have worsened. A degree of frustration has arisen. Farmers can no longer cultivate their fields, and companies can no longer invest and produce, unless they heed the rules and regulations from Brussels.

Because the nations of Central and Eastern Europe have only just freed themselves from Soviet oppression, the extent to which national sovereignty and culture, national dignity and pride can be asserted against the European Union is a very significant issue for them. For some time now, the voices which question whether the EU can provide the necessary moral force and guidance have grown louder.

I do not wish to contribute to a general mood of pessimism. The considerable risks associated with EU enlargement are undoubtedly offset by the massive opportunities it affords. Nonetheless, no-one bearing political responsibility should be indifferent to the vehement mistrust and intense fears that are revealed by the polls. The opportunities and the risks must be considered to an equal extent.

BERNHARD VOGEL

The warnings that with the integration of 10 new Member States – some still lagging behind in terms of their economic development – the European Union has reached the limits of its capacities, and that further major efforts will be required to cope with the integration process in political, financial and economic terms, are by no means far-fetched. What is more, there is a risk that the contours of the European concept will begin to blur and it will lose its integrational force.

The reference to Europe's values and democratic principles in the Constitution for Europe is not enough to create a strong binding effect. Universal human rights, democracy and liberty are only part of what Europe has to offer in terms of its heritage. Europe has a unique history of its own, in which three strands of tradition are of key significance: Greco-Roman antiquity, the Judaeo-Christian tradition, and the Enlightenment.

Of course, they make no claim to exclusivity. The major cultural achievements from other traditions are undoubtedly part of the European heritage as well. Europe has always been a continent of ideological pluralism and religious diversity, and it must remain so. However, the specific and binding nature of European identity is derived primarily from its success in uniting these strands of tradition – antiquity, Christianity and the Enlightenment – and holding them in a state of critical tension. Whenever an attempt has been made to sever these lines of tradition in Europe, dictatorship and the flouting of human rights have soon followed. However, when these traditions and the link between them have been upheld and taken as guidance and direction, Europe has succeeded in building a society based on humanity and freedom.

The connection and tension between these core traditions mean, for example, that besides the Bible, besides the Old and New Testament, Gotthold Ephraim Lessing's 'ring parable' – in which the author promotes the concepts of human kindness and tolerance – has also formed part of the bases of European identity since the Enlightenment. Freedom of religion is of course an integral element of the Charter of Fundamental Rights of the European Union, which states that the Union shall respect religious diversity (Article 22) and prohibit any discrimination on the ground of religion (Article 21[1]). Christians, Muslims, Jews and atheists can be Europeans and EU citizens on an equal basis and enjoy the same rights.

The European Union is not a purely Christian community; it is a secular value-based community. However, it is undoubtedly a secular value-based community in which the Christian element plays an important role. The fact that all the EU Member States have so far followed a Christian line of tradition and that more than 500 million of Europe's 720 million people are Christians cannot be overlooked or fail to have consequences.

Therefore, although it would be wrong to equate Christianity and Europe, it is certainly true that the Christian faith is part of Europe's rootstock and is

EUROPEAN HERITAGE AND THE EUROPEAN TASK

a powerful force unifying the highly diverse European cultures within the Union. In 1962 Chancellor Konrad Adenauer and General de Gaulle finally sealed the reconciliation between France and Germany in Notre Dame Cathedral in Reims. Reims marks an important starting point in the construction of Europe, both for political Europe, for it was in Reims that the Frankish Kings were crowned, and also for Christian Europe, for King Pepin the Younger met Pope Stephen III and Charlemagne later held an audience with Pope Leo III here.

Since the 19th century the universalism of the Catholic Church has stood firm against burgeoning nationalism in Western Europe. It could not prevent the worst excesses of nationalism, but it meant that in the 20th century Christian Democratic politicians found it easier to embed the notion of supranational integration of the European nation-states in people's minds and implement it in practice. When Europe was still divided, it was extremely important for the churches to act as a bridge across the Iron Curtain. The fact that we Germans can celebrate the 15th anniversary of our Fatherland's reunification in 2005 is also due to the churches, for in many cases it was the churches' protection that made resistance to oppression and lack of liberty possible in the first place.

After the Second World War, Europe's Christian Democratic parties initiated the European integration movement. They conceived and implemented the concept of Europe. Christian Democratic values and ideas also crucially influenced the development of the European Union. In this context one fact is undisputed: the New Testament is not a theory of the State, nor does it contain a philosophy of government. In my view, therefore, 'Christian politics' cannot exist. However, there are Christian politicians who base their actions on their Christian beliefs. There are certain values which must remain absolute. Tolerance does not mean having no standpoint.

The Christian Democratic social model is based on the Christian image of the person and the principle of his or her non-disposability. Emphasising this principle and defending it even in controversy is the basis of Christian Democratic politics. There are other value spheres, too, which we preserve and maintain as part of our ethos. They have been well-received in the societies of the European Union, and include, among other things, the link between liberty and responsibility which is reflected in an active civil society; the establishment of representative democracy and the rejection of authoritarian models of government; the special importance of marriage and the family, which is expressed in a specific approach to child-raising but also in equality between men and women in their relations with each other; the protection of minorities, and the willingness to show mutual religious tolerance.

There is no doubt that these values help to determine the Union's cultural self-perception. For this reason, when the issue of the accession of new Member States arises, we must ask: do your citizens endorse these values? Is

BERNHARD VOGEL

there any prospect that they will endorse them soon? In addition, we must ask ourselves: what degree of willingness is there in the current Union to identify with Europe and its principles? Is the bond between EU states and nations robust enough to cope with more integration? At present, the accession of new Member States is less a matter of the candidate countries' capacity to accede than the Union's own absorption capacity.

The fourth Copenhagen criterion relates to 'the Union's capacity to admit new members but maintain the momentum of integration'. The requirement to maintain the momentum of integration indicates that integration must be viewed not just as a matter of quantity but also of quality. Before we press for the integration of new members, we must ensure that there is no slackening of the integration process.

Less than a year has passed since 1 May 2004. The task now must be to 'weather-proof' Europe and build a Union that it is durable and can evolve into a genuinely political, social and value-based Union. Deepening the EU must be the priority. That means aligning economic and social conditions, ratifying the Constitution and reforming the decision-making bodies and competences. However, deepening also means working to ensure that the Union is endorsed by its citizens. The goal is to strengthen the nations' sense of belonging together and integrating European values and roots into this process.

There is a lack of shared identity and direction. Václav Havel recently spoke about a 'kind of crisis' in the 'democratic ethos'. There is no doubt that anti-democratic disillusionment and ideologies that promise instant remedies will pose a threat unless people are offered guidance and direction. A Europe which is merely a sophisticated free trade area cannot contribute to this process. Based on his analysis, Havel concludes that 'Europe must set the world an example!'. In his view, the success of European integration is closely linked with the 'fulfilment of the European perception of global responsibility'.

How can we strengthen people's will to support democracy, liberty, peace and human rights, or win them over to these values, and not only in Europe? That must be our prime concern. Together with the US and other partners, Europe must evolve to an even greater extent to become a force that encourages and initiates these developments. Turning Europe into a fortress is therefore the least sensible option. A key priority must also be to tackle global poverty and social injustice. As the world's largest internal market, Europe has not only the opportunity but also the responsibility to play its role in making the globalised world a more humane, and thus a safer, world for everyone.

To this end, the European Union must evolve more effectively in political terms; otherwise, its influence and appeal will continue to be insignificant. Europe must define its interests, and strategic considerations must not be neg-

EUROPEAN HERITAGE AND THE EUROPEAN TASK

lected. However, we must also ensure that across the world, a regulatory framework is established for the economy which is based on ethical standards and combines competition with solidarity. This is the only option if we are to have any hope that democracy, liberty and, indeed, free trade will be established on a worldwide basis in the long term.

Europe needs a valid and binding value system which facilitates its internal consolidation but also gives it a target and a mission and creates a positive impetus for democracy and liberty outside Europe too. The European project, 'an endeavour that establishes values and gives purpose', has lost none of its significance. Europe as an example to the world – what a vision for the year 2020!

February 2005

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The present situation and future of European integration

The entry of the Czech Republic into the EU, which took place on 1 May 2004, was for us a strategic objective for economic and political reasons. It also corresponded with the opinion of the overwhelming majority of our voters. To us the positive aspect of our entry into the EU is the opening of a large political and economic area and the implementation of that part of European law, which has contributed to the improvement of the legal environment in the Czech Republic. The greatest advantage to us, and the basis of European integration, remains the single European market.

It is, of course, essential to view the EU realistically as a mixture of liberalising as well as regulating elements, intergovernmental, supranational decision-making, cooperation, and conflicts of interest. The European integration process is burdened by some residues of the past; in particular it is an already outdated model of a redistributive social state and several protective policies (the common agricultural policy). Moreover, the excessive regulatory measures contained within Community legislation inhibit the growth of individual European economies and reduce their ability to compete.

By entering the European Union we have become an active co-creator of European integration and we should make the most of this opportunity. The Czech Republic ranks among the medium-sized countries of the EU and is one of the most advanced of the new members from an economic perspective. The Czech Lands are, on the one hand, part of the traditionally turbulent Central European area 'between Germany and Russia'; at the same time they are part of one of the two traditional north-south geopolitical verticals, which in Europe have always created space for economic growth, meaning affluence and prosperity. Therefore, in our approach to European integration and in our conduct within the EU, we must consider both our negative and our positive lessons from history and take up a role proportional to our geographic and geopolitical position.

JAN ZAHRADIL

Today's EU is based on numerous contractual relationships among the ever-expanding number of European states. The basis of these relationships has until now been the desire to continue to 'deepen' integration. A series of European Treaties in recent decades (the Maastricht Treaty, the Treaty of Amsterdam, the Treaty of Nice), which marked the shift in the form of integration from the European Communities to the European Union, were aimed in particular at gradually creating a political union, which would act as a single unit on the global political scene. The proposed Treaty that was the foundation of the European Constitution went even further in this direction. In this Treaty the pro-integration movement suggested further 'federalisation' and 'communitisation' of the EU: a further reduction of the right of veto of individual members, a change in the voting strength of individual Member States in favour of the large states, the extension of majority decision-making in the EU, and the further transfer of important competences to European level. Those with the most radical opinions expect the creation of a European federation, which means monetary, fiscal and foreign policies as well as a defence union, with European legislative and executive bodies.

Of course, such a development would lead to the significant reduction, or even disappearance, of the sovereignty of individual EU Member States. Naturally, the large and populous states would be much less affected than the medium-sized or small countries. The latter would lose their influence on the decision-making process in the EU, including decisions on issues that concern their own national interests. Such a system would – in view of the complex structure of the EU – also increase the distance between the politicians and the citizens, resulting in a greater democratic deficit in the EU and a further blurring of voters' democratic control over the elected political representatives.

In addition, the proposed ideas of a one-way, ongoing unification are constantly, and more obviously, coming up against the reality of today's world and Europe itself, even as far as the attainable frontiers of integration are concerned. Each EU enlargement, including the latest admission of ten new members, has actually taken place at the expense of its inner cohesion and ability to act, reduced the likelihood of achieving a consensus, and increased the EU's inability to react to current political and economic developments in the world. The EU is thus gradually losing its 'added value' as a unit, which could be of particular use to small and medium-sized countries (such as the Czech Republic) as a possible means of realising their national interest in an international environment. The enlargement of the EU weakens internal bonds and reduces the possibility of influencing Member States' policies from European level. Many Member States are already well aware of this and have therefore started to use European rhetoric purely as a veil for their own national interests. They follow the integration line only when it is to their advantage

THE PRESENT SITUATION AND FUTURE OF EUROPEAN INTEGRATION

(e.g. the desire of large countries to create a common foreign policy), whilst where it is not advantageous they are ready to take a tough stand (e.g. the resistance of these very countries to attempts at fiscal discipline, as defined by the so-called EU Stability Pact). The role of nation states as the foundation stones of European integration is therefore not only unlikely to diminish but may even grow in the future. A realistic foreign policy should therefore expect that the focal point of political decisions would indeed move gradually from a central European level to bilateral relations between individual EU members, where coalitions of interest will be formed. In the future, the present direct unification paradigm of European integration will have to change fundamentally and will have to move towards a 'multi-speed' model of integration, in which various groups of states co-exist at various levels of integration, in accordance with their own interests and priorities. Institutional arrangements and decision-making procedures in the EU must ensure the highest possible level of equality among all EU Member States, regardless of their size and populations.

The common European foreign policy must continue to be founded on the principles of voluntarism and unanimity. Any attempt at an enforced common position or the introduction of arbitrary voting mechanisms into this area are unacceptable. The common European foreign policy must not become purely a tool of some of the European powers to improve their standing within the system of international relations. The decision-making body for the creation of a common foreign policy, which reflects the opinion of national political representations, must continue to be the European Council. The stance of European foreign policy must not lead to a weakening of the transatlantic bond or even to competition between Europe and the US. The common European foreign policy must pay particular attention to the coordination of attitudes towards the areas surrounding the EU and its neighbours (North Africa, the Far East and Middle East, Turkey, Eastern Europe). By helping to develop stability and prosperity in these areas, it will therefore also contribute to the stability and security of the EU. The EU must continue to be an open structure and, within the framework of its future flexible shape, capable of offering various forms of partnership, including full membership, to those of its neighbours who show interest and who fulfil the conditions of such partnership or membership.

Where the safeguarding of internal European security is concerned, with the end of the 'bipolar' world, the most serious threat to our circle of civilisation (in addition to other forms of organised crime) has become international terrorism directed against the modern, liberal and democratic concepts of Western society. The diffuse nature of international terrorism makes it exceptionally difficult to combat. In direct (armed) conflict with the phenomenon of terrorism, it is not possible in most cases to use the methods hither-

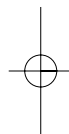
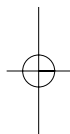
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to applied in the conduct of war. Indeed, the current system of international law does not allow or provide for effective sanctions of terrorist activities. The prevention of terrorism (controls, new types of identification, restriction on the movement of persons, etc.) can, however, easily overlap the private sphere of citizens' personal freedom. This must also be taken into account when creating the common tools of European policies.

In short, the process of European integration should reflect the changes in the system at the threshold of the 21st century better than it has done up to now. This relates, in particular, to so-called globalisation. This phenomenon is nothing new; it has been taking place for decades. However, it has recently accelerated - and thus become visible - due notably to the dynamic development of new technologies and faster exchanges of information. Yet globalisation does not necessarily mean the arbitrary creation of large integrated units. The precondition for success in a globalised world is not size, but speed, mobility, adaptability and flexibility. Although international and supranational organisations may expand, they are at the same time losing their readiness for action. With a reduced ability to act, their use as a tool for solving new challenges decreases. A nation state can operate faster and more effectively than large groupings and is internally more cohesive. Even the European Union must accept this.

It would be a mistake to look at the European Union as the permanent, unchangeable and final form of the co-existence of European nations and states. No form of international relations (in Europe or anywhere else in the world) is permanently stable, only temporarily so. There is no 'finality', only a temporary balance of the system, and this balance changes dynamically. In this mobile environment, international and supranational political, economic and security organisations are never on their own the objectives of policies; they are but the means and the tools for their execution. The only measure of success of these organisations is therefore their usability and suitability for those they should serve in achieving our fundamental common interests: security, stability, prosperity. This applies to the European Union and as such must also be taken into account.

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