

Title: Speech by Mr Guy Verhofstadt to the European Parliament

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OF THE BELGIAN PRESIDENCY
OF THE EUROPEAN UNION

President of the European Parliament,
President of the European Commission
Ladies and Gentlemen,

It is a great honour for me to present to you the work programme of the new Presidency. It is incidentally not the first time that I have addressed the European Parliament. In 1987, as President of the Budget Council, I presented the 1988 budget to the European Parliament. Those were prehistoric times in terms of today's budget. There was no financial perspective, no Berlin ceiling then. Finalisation of a European budget was a very labour-intensive and often nocturnal activity.

Allow me first of all to express my gratitude to the Swedish Presidency. Sweden had set itself three priorities, the three e's of "employment, environment and enlargement". In each of these areas significant progress has been made. A new impetus has been given to the Lisbon process. A common strategy on sustainable development has been set in train. Excellent work has been done in the enlargement area.

However, there is no doubt that the greatest step forward has been in the Common Foreign and Security Policy. As examples, I would quote the meetings with Presidents Putin and Bush in which the Fifteen spoke with a single voice, the leading role played by Javier Solana in the Balkans conflict and joint action by the European Union and the United States in the Middle East. All these are proof that the European Union is also recognised as a fully-fledged partner at international level. When the European Union speaks with a single voice, people listen.

Ladies and Gentlemen,

Notwithstanding the many positive aspects of the last few months, some menacing clouds have also darkened the European Union's horizon. After the Danish "no", Ireland rejected the Treaty of Nice in its referendum. At a time when we could well do without it, the European Union is once again experiencing an identity crisis. A gap has opened up between the citizens of Europe and their institutions. To ignore this would be a sign of arrogance and contempt. The fears, the worries and the criticisms of the public must certainly be taken seriously. We must move towards their aspirations. For that reason, there is only one substantial challenge for the new Presidency, namely reconciling the public with the European Union.

Reconciling citizens with Europe, giving the people of Europe back their faith and confidence in the European Union: such is our task; because, dear colleagues, the European Union is the only future for the peoples, States and nations of our old continent. It is only as a Union that we carry weight at international level and are a power capable of influencing events. Whether it be in relation to the conflict in the Middle East, the prevention of climate change or the fight against hunger and injustice in the southern hemisphere, we have to recognise that alone we are not equal to these tasks unless as Europeans we cooperate in a single Union, walk together and speak clearly with a single voice. By the same token, Europe will only be a major player in economic terms if it continues to work towards achievement of the single market and launches the single currency on 1 January 2002.

For all these reasons I do not understand the anti-globalisation campaigners. Here I am not referring only to the few violent demonstrators we saw in action in Göteborg. They were troublemakers only interested in violence. I am talking about those who protest indignantly against globalisation and internationalisation; a generation – and this may not just be a coincidence – which has known only prosperity and well-being.

For the European Union globalisation is not a threat but a boon. If the Union acts globally and in a concerted fashion it can achieve things previously unheard of in the old continent divided by the Iron Curtain and national borders. These include a Community approach to organised crime, agreements on the application of the Kyoto Protocol, minimum standards or benchmarking of performance in the fight against poverty and social exclusion.
In short, the Union is not a threat but an opportunity.

However, it goes without saying that rhetoric alone will not be enough to revive the confidence of our citizens. It will take more than fine words to reconcile Europeans with their institutions. We have to act on two fronts: on the one hand, we have to take a series of very practical decisions which will provide tangible and visible solutions to real problems which people have to face daily. On the other hand, we have to outline a broad vision of the future of Europe. A Union which will be able to prevent the ills it is suffering from today: lack of effectiveness, lack of transparency, lack of democratic legitimacy.

Let us first turn to the specific dossiers on which we want to work. Our first dossier will of course be the introduction of the euro on 1 January and the development of a consistent economic policy to underpin monetary union. Nothing will bring Europe closer to its citizens than a successful introduction of the euro. It is for the Presidency to take all possible care to ensure that success. For that reason the Heads of State or Government will in October discuss an evaluation report, the aim of which is to ensure that the introduction of the euro on 1 January is problem-free. Evaluation will be accompanied by an

information campaign aimed specifically at small and medium-sized enterprises and the most vulnerable social categories. Explaining the euro to them is the best way of dispelling the fears which always surround an undertaking of this magnitude.

That seems far more important to me than the endless arguments about the value of the euro. As though we had introduced the euro as an instrument for speculating on exchange markets The aim of the euro was not that, we must not forget. The aim – which will only be achieved when the euro is in circulation in physical form both inside and outside the Union – was to create a single market without currency fluctuations or foreign exchange risks, so as to give a major impetus to economic growth in the Union. And we must also recognise that with the euro we wanted to give Europe a tangible expression of its existence. To exploit the benefits of the single market to the utmost, we must integrate financial markets, deregulate gas, electricity, telecommunications, postal services and transport, reduce State aid, and carry through the tax package. On this last point, the Presidency believes that progress is needed in all areas of the tax package.

On the economic front, I would like to stress the introduction of the Community patent, the establishment of a common position on the sixth framework programme for research and development, the practical implementation of the European Charter for Small Enterprises, and the conclusions of negotiations on the Statute for a European Company. When I studied European law at university, nearly thirty years ago now, the prospect was held out that within months, or at most years, the European Company would become a reality. It is now time to make it one. This is a necessity for European enterprises, which want to be able to face competition at global level by means of mergers or alliances.

Madam President,
Ladies and Gentlemen,

If we want to reconcile citizens with the European Union, we must rapidly get on with the task of bringing about a social Europe. This is the Presidency's second main theme: pursuing the development of the European social model, which is precisely what distinguishes us from that other great internal market, the United States of America.

In practical terms, we want to define quantitative and qualitative indicators for employment, and also to finalise the Directive on the information and consultation of workers.

All the Member States are facing the same challenges, namely an ageing population and the high rate of growth in health expenditure. Before the end of the year, a first joint report on pensions will be submitted to the European Council.

The third main theme we are pursuing is the establishment of a European area of freedom, security and justice, that is to say the implementation of the Tampere conclusions. That may sound pompous, but these are in fact matters that directly affect the citizen: asylum, immigration, the fight against organised crime, prostitution and trafficking in human beings.

Instead of drawing up a report on progress – or lack of progress – at the Laeken European Council, I hope that our Ministers for Justice and Home Affairs, with Commissioner Vitorino and the full support of the European Parliament, will make progress in five practical areas:

- a Directive on asylum, to harmonise procedures for the granting of refugee status and for the reception of refugees;
- the establishment of Eurojust, and the provision of an operational force for Europol. Besides, following recent incidents, control over Europol must needs be radically reinforced;
- launching high-impact operations to reinforce the new external frontiers of the Union and combat trafficking in human beings;
- initiating the mutual recognition of judgments and orders;
- and finally, beginning work on a European extradition warrant.

In the months to come, a wide-ranging debate on immigration must also be launched. The Commission has already published a document to this end. However, I would like to warn against too unilateral and simplistic an approach to the problem, especially the call to establish quotas for economic migrants. Especially if the aim is to make up for shortfalls in professions which are experiencing difficulties in recruiting qualified staff. The example of the United States shows that establishing quotas does not in itself do away with illegal immigration. And we must be careful that such a measure does not widen the gulf between the North and the South, by depriving the South of its most qualified individuals. My conviction is that the best way to reverse migratory flows is to create the conditions for prosperity in the country of origin, while liberalising world trade, and continuing to dismantle protectionism. In the end, it is quite simple: if people cannot make a decent living at home in their own country because the fruits of their labours cannot be exported freely to our markets, they will inevitably try to emigrate.

Ladies and Gentlemen,

The fourth main theme of the Presidency is about improving the quality of life. Applying the conclusions of the Göteborg summit, we shall set precise objectives and concrete indicators relating to the new strategy on sustainable development.

The Presidency will also concentrate its efforts on two practical issues relating to transport and mobility: the establishment of pollution and noise levels for civil aviation, and what is known as the Erika measures for maritime safety.

However, the main focus will be on Kyoto. Climate change is the greatest threat to the whole planet. In Göteborg the US President promised to respect the overall objectives of Kyoto, although he had a fundamentally different opinion of how to arrive there. In any case he promised not to block the

process, particularly the next conference in Bonn. So our determination is bearing fruit, and we must persevere in our resolve.

Finally, food safety. Belgium wishes to bring about the creation of the European Food Authority during its term in office, so that it can be operational at the beginning of 2002. After all the crises of the past few years – dioxin, BSE and foot-and-mouth disease – that is the only way definitively to restore consumer confidence.

Madam President,

The fifth main theme is the enlargement of the Union. The new Presidency aims to do as well as the Swedish Presidency. The Nice road map has been scrupulously respected. We will keep up this steady pace in negotiations.

Here, qualitative aspects warrant as much attention as quantitative ones. By this I mean that it is important for the candidate countries to transpose the acquis into their internal legal order. But it is just as important that they should modernise their administrations, develop their judicial capacity and actually implement the acquis on the ground. The Commission has been asked to draw up an evaluation report on this by October.

Do not let this cast any doubt on my conviction: the Union must enlarge as fast as possible. European unity must be achieved. That which has never been achievable through war and violence is now within our reach by democratic means, through an enlarged Union.

Ladies and Gentlemen,

As I have already said in my introduction, the Swedish Presidency made great strides in the development of a consistent European foreign policy. We intend to continue down this path. Besides the intensification of our relations with both the United States and the Russian Federation (a summit meeting is planned with both these countries), and the launch of a new cycle of trade negotiations, the Presidency means above all to concentrate on European Security and Defence Policy.

Citizens will only regard Europe as a reality, when besides the euro they can see the development of our common defence. A recent Eurobarometer showed that in all, I repeat, all the Member States, the population was in favour of the development of an autonomous and recognisable European intervention capacity alongside the national armies. Therefore, by the end of year, we should at least be ready to declare European defence operational.

The second major challenge on the external relations front involves three conflicts. Firstly the Balkans. Now that democracy has returned to Belgrade and that Milosevic has been extradited, we should make every effort to avoid new crises developing in the region. Javier Solana will therefore have our fullest backup in all his efforts.

Secondly, the Middle East. The Presidency, in consultation with the High Representative and the Commission, will keep on encouraging the parties to resolve their differences by dialogue. The full implementation of the Mitchell report, to which the European Union contributed, must constitute the starting point for this.

However, I would like above all to draw your attention to the conflict in central Africa, in the Great Lakes region. I have just returned from Congo, from Kinshasa and Kisangani. The Balkans and the Middle East may be politically more important, I do not dispute that, but from the humanitarian point of view the tragedy in Africa is a thousand times greater. The situation in the region has all the ingredients for a continent-wide war, with no fewer than seven countries involved. If such a thing were to come about here, we, from our Eurocentric perspective, would call it a world war. In three years, more than three million people have died, and I am not even including the victims of ethnic violence in Burundi or the more than 800 000 people massacred during the Rwandan genocide in 1994. The Union can no longer stand idly by. Urgent action is called for: political, diplomatic and economic. The Presidency will present an action plan to this effect. I am counting on the full agreement of the European Parliament, to support and carry out this plan together with the Council and the Commission.

Madam President,
Ladies and Gentlemen,

Europe does not only have a present. Most importantly, it has a future. Providing concrete solutions to concrete problems is one thing, but offering Europe prospects for the future is just as important. That is why Nice issued a mandate for a Laeken Declaration to be drawn up by the end of the year to pave the way.

But the Laeken Declaration must not deal simply with procedural matters. It cannot be confined to listing agenda items or determining what procedure to follow. We must set our sights higher. At Laeken we must make clear what is at stake in the major reform awaiting us and outline the future shape of the European Union after enlargement – we are talking about a metamorphosis, a real transformation.

Of course, we must not prejudge the answers. But we must ask the real questions and identify the problems that will affect the future of Europe. No question and no subject can be taboo.

In the Laeken Declaration I should like to address the following crucial issues.

My starting-point is that the European Union is facing a huge problem: it is out of touch with its citizens. At least some of the public take the view that the Union intervenes too often and at times too vigorously in people's daily lives. Citizens feel that the Union is not transparent enough, too bureaucratic and not

sufficiently democratic. And they are right. All this needs to be mentioned in the first section of the Declaration, because how are the problems to be resolved if we do not dare to acknowledge them in the first place?

The question which immediately arises here is what the European Union's values and objectives should be. What goes to make up the European identity? How do citizens identify with it? This obviously leads us to a Union constitution, which also implies a simplification and reorganisation of the Treaties.

We thus come to a third question, which is perhaps the most crucial: defining the Union's powers – in other words, the distribution of tasks. We need clear agreements. Who does what at which level? Citizens know only too well what essential tasks they expect of the European Union. Recent Eurobarometer surveys have always thrown up the same essential tasks: the social and economic policy that must constitute the basis of monetary union; basic social protection standards; a common asylum and immigration policy; a genuine common foreign policy; and a shared view of defence. But at the same time citizens see the Union as being too concerned with the detailed implementation of policies, which would be better dealt with at national or regional level. In short, citizens think that the Union should concentrate primarily on defining the regulatory framework, setting minimum conditions and monitoring the implementation of policies by regions or Member States. Whatever the case, we cannot shy away from this debate. The division of powers needs to be looked at in two ways: what is added on at Union level and what lies within the remit of the Member States?

Ladies and gentlemen,

The Laeken Declaration must also address the issue of the ever-increasing number of political instruments. In a speech I gave recently in Göttweig in Austria, I noted no fewer than 30 different means of action in the Treaties. A radical simplification is required.

The means of funding the European Union must also be included in the Laeken Declaration. The Union does not currently have full and exclusive budgetary powers. It does not have any real resources of its own, given that it is largely funded by contributions based on GNP. We should at least ask whether this indirect method of funding is really the right one. Would direct funding not be more legitimate and more democratic?

Neither shall we be able to avoid discussion of the institutions in the Laeken Declaration. Would we like a directly-elected Commission President? Would it not be appropriate to generalise the European Parliament's power of co-decision? What about the idea of drawing a clearer line between the Council's legislative and executive powers? Would it not be better if implementation of the Union's foreign policy lay in the hands of one person? Finally, we will have to take a decision on the method to be followed between the Laeken Declaration and the inter-governmental conference. As regards the method, whether we have a convention or a forum is to me of secondary importance. The two things which really matter are that (a) the working method chosen enables all parties to be involved in the debate: the European Parliament, the European Commission, the Member States, national parliaments, and also the candidate States, and (b) the convention or forum is able to outline different scenarios and present different options, because if we enclose it in the straitjacket of the consensus rule and instruct it to reach agreement on a single text, we risk ending up with an unambitious document representing the lowest common denominator.

Madam President,
Ladies and Gentlemen,

The Belgian Presidency regards the European Parliament as an ally. We wish to conduct an in-depth dialogue. This is all the more important in that the Parliament is the ideal instrument for distilling a European public opinion which adds up to more than the mathematical sum of 15 national opinions.

It is true that we have many objectives for the next six months. I say six months, but the period is in fact no more than 99 working days. Our days are numbered. But this shortage of time should not prevent us from taking a bold look at the future of Europe.

Thank you for your attention.

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