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Deepening and widening : the false dichotomy

Ladies and gentlemen,

Allow me first to express my gratitude for the invitation to address such a distinguished audience. ELIAMEP has been long at the heart of the policy debate on Europe in Greece. This is definitely the right place and the right moment to share with you my reflections on where the EU stands and how the enlargement policy fits into the overall European project.

I'm also conscious of speaking in a city which is not only the cradle of European civilisation and democracy, but also a birthplace of Eastern enlargement. On the 16th of April 2003, a few steps away from here, under the colonnades of the Stoa of Attalos in the Agora, the representatives of our twenty-five Member States signed the Treaty of Accession which sealed the peaceful reunification between Western and Eastern Europe. Now our eyes and energy are focused on the reunification in Southeast Europe, in the immediate proximity of Greece.

First, let's ask what is the balance sheet of the 2004 enlargement: is Europe better off or did all the worries expressed at the time prove justified?

Enlargement was associated with hopes but also fears and prejudices, such as : it would be costly for taxpayers; it would boost migration of cheap labour to take jobs away in the "old" Member States; it would paralyse EU decision making; it would increase organised crime and trafficking in the EU. An objective look at facts and figures today tells us that these concerns were unjustified, if not complete fantasy.

As regards the costs, look at the financial perspectives, i.e. the EU budgetary expenditures for the period up to 2013, which was settled by a political deal among the Heads of State and governments last December. It shows that the financial

burden of EU policies following enlargement will remain within limits that are very comparable to the existing expenditures, i.e. 1.045 % of GDP.

On free movement of workers, the Commission report on the latest data found that enlargement did not open the gates to massive flows of workers overwhelming the EU labour market, as some had predicted, quite on the contrary. It appears even that in key sectors, this work force would be most welcome and useful for growth and competitiveness in most EU countries. Following Ireland, the United Kingdom and Sweden, who opened their labour markets fully, some Member States, such as Finland, have decided to abolish restrictions as of 1st of May this year.

Regarding criminality, the new Member States have started participating actively in our common policies in the area of Justice, Liberty and Security, cooperating closely with their partners in combating organised crime and trafficking. And finally, as regards the ability of the EU to decide and act, the past two years speak for themselves: our institutions work relatively smoothly and the alleged paralysis did not take place. Difficulties appeared on typically sensitive issues like the budgetary framework, taxation or, of course, the Constitutional Treaty, which give rise to usually long and sometimes painful negotiations. But it would be utterly unfair to depict the new Member States as having blocked progress in those areas.

Ladies and Gentlemen,

the core strategic objective of enlargement was and remains to extend the area of peace, stability, democracy, the rule of law and prosperity on our continent, in the very same spirit as the European project launched by the “Founding Fathers” after World War II. Almost two years after 1 May 2004, the European continent has definitely become safer, more democratic, more peaceful, and, for large parts of it, more prosperous.

Having said that, my intention is certainly not to paint a rosy picture of today’s European Union. The year 2005 has been overall a sad year in our common history. The two “noes” in the referendums in two founding states, France and the Netherlands, to the Constitutional Treaty quite brutally interrupted the momentum of our political integration.

Moreover, they revealed crudely what we had all suspected in the previous years: the citizens’ distrust of the political elite, including the EU. Both are accused of bothering

with issues that are miles away from people's everyday concerns, and both unable to meet the more pressing ones: good jobs, education, competitiveness, which are all desperately needed to tackle the ever growing challenges of globalisation and competition of fast emerging economies.

This current mood obliges all of us, decision makers, to re-gain the confidence of our citizens. I believe the best way out of our constitutional dilemma is to focus on concrete measures to improve the way the European Union works and produces concrete results for our citizens, not a long theoretical debate. At heart, I remain a functionalist – and proud of it.

As a functionalist, I regard the performance of the European economy as the key to the success of the EU's performance. A strong economy brings security to citizens and increase the legitimacy of politicians. Political leaders have a greater margin for manoeuvre in dealing with policy challenges when their citizens have confidence that the economy can weather new storms and generate new jobs.

Meanwhile, the crucial question is: how to proceed with enlargement?

Certainly we needed to pace ourselves after the 2004 Big Bang, when ten new members joined the Union. But it would be irresponsible to disrupt a valuable process that is helping to build stable and effective partners in the most unstable parts of Europe, especially in Southeast Europe. Enlargement has proven to be one of the most important instruments for European security. It reflects the essence of the EU as a civilian power; by extending the area of peace and stability, democracy and the rule of law, the EU has achieved far more through its gravitational pull than it could ever have done with a stick or a sword.

Does this mean that enlargement should continue irrespective of the current confusion surrounding the constitutional debate? Or, as the euro-jargon puts it, can widening go on while deepening is stuck? This question is sensible, provided that it is not based on the assumption which, frankly, makes me feel uneasy, that enlargement, as such, would be a brake on further integration. Nothing is more wrong than that, as the history of the EU tells us.

Widening versus deepening is indeed a false dichotomy. The EU has always pursued these two objectives in parallel, and never was the one an obstacle for the other.

The first enlargement in 1973 to the United Kingdom, Denmark and Ireland was preceded by two significant initiatives in 1970: the Davignon Report which kicked off European Political Cooperation (the precursor of the EU's Common Foreign and Security Policy) and by the Werner Report, which started the first, short-lived effort to create a monetary union. The two Southern enlargements of the 1980s to Greece, Portugal and Spain coincided with the adoption of the Single European Act in 1986, which helped to create the Single Market as well as a strong social cohesion policy with the structural funds.

Then the Berlin Wall came down. Yet, both deepening and widening have again moved ahead in parallel. Take widening: the EU has more than doubled its membership from 12 to 25 member states after the collapse of the Berlin Wall settled. Bulgaria and Romania will join the Union in 2007 or 2008.

Take deepening: the Union has taken major steps in its political and economic integration. We created the single market, the euro and the passport-free travel in the Schengen area, and reinforced the common foreign and security policy.

Some years ago, who would have believed, for instance, that Europe would take over peace-keeping missions in Bosnia or in Africa? Could you find a single person who would have bet that the EU would be in charge of security at the Rafah border-crossing between Egypt and the Gaza strip? Or being prepared to take the overall responsibility of international presence in Kosovo after the status settlement ?

The EU's ability to respond to its citizens' concerns must increase, but enlargement does not stop it from doing so. It is utterly wrong to believe that Europe's progress has slowed down because it has welcomed new members.

However, we cannot ignore the worries of the people and it is our duty to take them seriously. Therefore, my approach to enlargement is based on consolidation, conditionality and communication.

Consolidation means that we have to be cautious before taking new commitments. At the same time, we have to respect existing commitments. Conditionality means that the countries have to respect the criteria to the letter. But conditionality only works if the countries can trust in the EU's commitment to eventual membership, even if that is many years away.

Finally, we have to communicate better the objectives and challenges of the accession process and how it deals with the countries. However, the Member States must also bear their responsibility to explain and defend the policies they have agreed unanimously. The Commission can only complement their effort.

Ladies and Gentlemen,

Let me finish by offering you a short overview on where we stand as regards **the Western Balkans and Turkey**.

This year in Western Balkans we must solve the remaining status questions (Kosovo, Montenegro) with patience and determination. We must also finally move the region beyond the era of war, by ensuring the last remaining persons indicted for war crimes go to The Hague. That would clear the way to address the issues that really matter for the citizens – economic development and bringing the countries and citizens to the European mainstream.

On Kosovo, the European Union encourages both Belgrade and Pristina to engage constructively, to enable a negotiated solution. From Belgrade, we expect realism that there can be no return for Kosovo to Belgrade's rule, and there must be willingness to ensure a sustainable settlement that creates a stable, democratic and multiethnic Kosovo in the European framework. From Pristina, we expect realism that status can only come with standards, especially as regards minority protection and decentralisation measures, the implementation of which must be urgently intensified.

Ambassador Kai Eide's report last October revealed a serious lack of progress on the implementation of the priority UN standards. The EU has on its part tabled a European Partnership for the authorities to guide their reform agenda. However, the Provisional Institutions of Self-Government need to prepare the action plan to implement the EU's recommendations. This is necessary to realise Kosovo's EU perspective, since any rapprochement to the Union is dependent on such standards that respect the core European values of human rights and the rule of law. The implementation of EU standards now and not in some unspecified future It should be the first priority of the new government of Kosovo.

We also have to support the status process by making the European perspective real to the rest of the region. The Commission is working with the Austrian Presidency on further steps to promote greater economic and political integration in the region, and to show the citizens of the region that there are clear benefits along the way towards the EU.

The European Council has confirmed many times that the future of the Western Balkans lies in the EU. The Thessaloniki European Council in 2003 set the EU's goal for the Western Balkan countries to move from stabilisation and reconstruction to economic and social development, to association and integration into European structures.

The first part of the Thessaloniki agenda is now close to completion. I hope that by the end of next year, all of the countries of the region will have established solid contractual relations with the EU, based on association agreements. This will be a major achievement, particularly for the countries whose progress has been delayed by unresolved status issues and other problems, notably Serbia and Montenegro, and Bosnia and Herzegovina.

The Stabilisation and Association Agreements will carry important benefits for the citizens of the region. They will allow an expansion of trade with the EU, in turn attracting investment. The people will also benefit from cooperation with the EU in many policy areas where there are serious problems - for example, to tackle organised crime and trafficking across borders, as well as to improve environmental standards.

The prospect of moving to the next stage in relations with the Union is a powerful incentive for countries to transform themselves and to adopt EU standards and values. The journey towards membership has value in itself, even in cases where accession is many years away. This journey is often difficult, so it is essential for the EU to stay engaged throughout the process, and committed to the outcome.

As regards Turkey, the 3rd of October 2005 was definitely a turning point in the history of EU-Turkey relations – and a key decision for the whole continent. The aim of launching launching accession negotiations is to achieve a key strategic assumption: the European Union needs, for its own interest, a stable, democratic, stable and prosperous Turkey, which respects human rights and the rule of law, is

able to implement our policies, meet our standards and which remains a strong and reliable ally in today's world.

For those who still question the strategic value of such a step, I simply invite them to look at the news: on issues as different as the energy crisis, Iran, Iraq or the cartoons crisis, Turkey appears as a key player which we absolutely need on our side or as a bridge and a moderator between civilisations. Clearly, we all know, and the Turks know it even better, that it will be a long and winding road before accession can take place. At the technical level, the negotiation process is proceeding relatively well, and I'm confident that the first chapter (on Science and Research) will be opened soon.

However, a lot still needs to be done to meet our criteria and, to start with, to properly implement the political reforms Turkey itself has undertaken. The developments in the various court cases related to freedom of expression illustrate a state of transition which needs to be much more vigorously accelerated in order to be fully convincing. The same goes for the religious freedom – and I refer in particular to the problems encountered by the non-Muslim religious communities. In other words, the pace of reforms in Turkey will determine the progress in negotiations and it will be up to Turkey to carry out the necessary efforts.

Here again, keeping the prospect alive is key. As for former enlargement rounds, the journey for Turkey, i.e. the reform process, will be as important as the final destination.

As regards Cyprus, let me simply express my sincere wish that the recent signals we received, including the meeting between UN Secretary General Kofi Annan and President Papadopoulos, will pave the way for a new process under the auspices of the UN leading to a comprehensive settlement as soon as possible.

I find it encouraging that the leaders of both communities on the island have agreed to start a dialogue on a range of issues at a technical level. This will hopefully re-build confidence and encourage the resumption of the negotiations on a comprehensive settlement within UN framework. In line with its long standing position, the Commission stands ready to support this process.

Ladies and gentlemen, in conclusion, I would like to stress that I welcome the debate on EU enlargement. It is legitimate and useful to keep discussing the challenges and how to meet them. This debate has been going on for over four decades now.

However, it should not be used to question our existing commitments under the consolidated enlargement agenda in South-Eastern Europe – that is, Bulgaria, Romania, the Western Balkans and Turkey.

Otherwise we would weaken our ability to work for stability and democracy in the whole region. Greece is certainly best placed among the EU members to know that! It is much better to export stability through a carefully managed accession process than to import instability in the shape of refugees, criminal activities - or hostility and tensions.

This is our duty and responsibility towards our citizens, here in Greece and elsewhere in the Union. Reflection pause or not, we cannot pause and take any sabbatical from these responsibilities without causing serious damage to the *raison d'être* of the Union, which is to ensure peace, progress and democracy.

Thank you.