

Exploring Europe's Potential

Opening Speech at the Charlemagne Forum on Europe in Aachen, May 18, 2004

Mr. Wim Kok

On the first of May 2004 the historic step of enlarging the EU by 10 new member states was officially taken. This was an unprecedented step: in effect reunifying (most of) the countries of the European continent, having been divided in the aftermath of the last world war. Preceding enlargements took place in a divided Europe, but this one leads to achieve the dream of the EU's founding fathers: to make Europe whole and free.

Throughout my life, I have been a convinced European. From my youth I remember the last world war, and I know the value of peace, stability and prosperity which we have today. I understand how much we have gained from the process of European integration in the past half-century. The wars and atrocities in former Yugoslavia have demonstrated what Europeans can do to each other when the forces of disintegration are allowed to overtake the wish for unity.

The enlargement of the European Union to me, therefore, is the fulfilment of a vision – a vision that is too easily forgotten in times when security and prosperity within Europe are taken for granted. But if we pause to reflect, we see that this vision is what the EU and its enlargement are really about: the reunification of Europe's people in a constitutional framework that encourages them to work together in peace and stability.

For the peoples of Central and Eastern Europe, Europe symbolises the values to which they longed to return for more than a generation during the period of the Cold War. But the return to Europe has been much more than a symbol for them: the prospect of EU membership has helped to make irreversible their choice of pluralist democracy and market economy, and encouraged them on the path of reform. The prospect of this stable anchor has been the precondition for restoring economic prosperity, which in turn contributed to stability in the region.

But their road to Europe has not been an easy one. The process of transformation has led to massive change: not everyone has benefited to the same extent from the new opportunities, and old forms of security have been lost. It is clear to me that the real costs of enlargement are not measured by the budget of the EU: the most far-reaching effects of adaptation have been felt already in the states which are members of the EU since first of May.

We should be aware however, that enlargement takes place at a moment when the EU is facing major challenges concerning its **internal cohesion**, its **economic performance**, and its **global role**.

1. In its **internal politics**, the EU and its political leaders should give an encouraging response to the concerns of its citizens. It is of vital importance that the negotiations between governments on the Draft of the Constitution for Europe will be finalized without any further delay. And that the outcome will be strongly defended by all governments in front of their parliaments and the citizens of their countries.

A system of governance is needed that strikes a better balance between the twin requirements of efficiency and democratic legitimacy. In a way the EU needs to

reinvent itself. But today's environment is far from ideal for new ambitions or grand ideas. There is a growing sense of insecurity among the citizens and, as this' year's Charlemagne Prize Laureate Pat Cox writes, there is an increasing lack of understanding between professionals of European politics and the citizens.

For that, we need better decision-making, and the determination and political will to make truly European policies in the enlarged Union, in order to avoid the risk that "more" will mean "less". Enlargement now gives the need and the occasion to "upgrade" the quality of our governance. This has to lead to the breakthrough that political union requires. In my mind, the paper presented by the Bertelsmann Foundation points out a series of interesting ideas even thinking deeper than the constitutional draft does. Political leadability, a stronger personalization of European politics and visibility are as important as a clear, effective and transparent system of decision-making. Europe needs both.

2. At the same time, **Europe must improve its economic performance.** Globalisation and worldwide economic transformation are increasingly affecting the way Europeans live and work. A much more rapid response to change is needed as well as more effective management of change. The rapid aging of our population calls into question Europe's ability to obtain higher employment and productivity rates. In their Lisbon strategy the leaders of the EU declared the aim of becoming the most competitive and dynamic knowledge-based economy in the world. So far these high-minded words have not sufficiently been accompanied however by structural reforms needed for stable growth in the long term, and for a dynamic response too globalisation. We are losing ground compared to the US, with productivity growth per employee barely half of the US over the last five years. Europe definitively needs more people in work, working more productively.

We need more and better investment in training the skills of people, in human capital as well as more innovation and reform in order to obtain a better growth, competitiveness performance and job creation in the enlarged market. The arrival of new members offers the EU the chance to reform its economic and social policies in ways that it already needed before. Enlargement in this way is an impetus for renewal. Without that sooner or later the viability of our welfare systems would become at stake.

We should try to strike a balance between the need for reform and the wish to ensure social justice and fair opportunities for all. Very often these objectives are not contradictory, but mutually supportive. Our aim must be not to copy the American model, but to design a path of reforms that finally takes into account the social values and traditions that we, as Europeans, share.

3. From a **global perspective**, given the massive pressure of problems, the EU is challenged as never before to understand itself as a global actor. The progressive globalization leads to new competitive relations in the world. At the same time, the number of violent crises and conflicts is rising, and European countries are increasingly called on to be a peacekeeping and peacemaking actor. With the attacks in Madrid, the threat posed by international terrorism has become clearer within Europe. So EU citizens' sense of security has been deeply disturbed. And the people know: We can not longer feel as spectators.

Europe needs to seize the chance for greater authority, coherence and influence on the international scene. To speak with one voice will help Europe to meet the challenges of globalisation which clearly affects all spheres of live of the people in Europe.

With 455 million citizens, the Union is strong enough to influence world events. And it is also the EU's economic weight which ought to be accompanied by a political voice in world affairs.

But the Union can only influence if it is able to adopt a clear policy and speak with one voice. But too often political will and common strategic planning are lacking. Enlarged Europe must develop further as a strategic community, improve its operational military capabilities and reconstruct its relations with the key actors in global politics. Only when Europe is able to internalize a new culture of global political reasoning, it will be able to develop sufficient influence in international politics.

These three major challenges – internal, economic, and external – accompany the enlarged union. The EU as a whole needs to respond effectively to the demands of its citizens, regain its economic dynamism and competitiveness, and define its political role in the world.

I believe that the momentum of the expansion of the Union provides the occasion for us to address the challenges in a decisive way. The new face of the Union obliges us to confront these challenges, and it offers also a lot of new potential. With the unknown degree of enlargement on the one hand, and the deepening of integration on the other, the European Union has attained a new dimension. Following centuries of internal strife, in the new millennium the European continent must prove itself in new fields. We have to explore and to use the potential of this new Union. The New Union can be a catalyst for solving some of Europe's central outstanding issues. It can give the dynamism for us to make a leap forward.

I hope that we all realize – 3 weeks before elections for the European Parliament – that Europe can not afford to fail. We must act now, knowing that, if the EU would not move ahead with the reforms and adjustments that the new face now demands, it would miss the chance – perhaps for ever – to make Europe stronger and safer, in the interest of its citizens, its neighbours and the world.

Enlargement should not be seen only as historic step but also as historic opportunity, as stimulus to speed up transformation. We have to use the strengths of enlarged Europe. This historic opportunity should not be missed – if we don't do so, time will not work for us.