

Romano Prodi

President of the European Commission

A Wider Europe - A Proximity Policy as the key to stability

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

“Peace, Security And Stability – International Dialogue and the
Role of the EU”

Sixth ECSA-World Conference. Jean Monnet Project.

Brussels, 5-6 December 2002

Ladies and gentlemen,

Changing times impose greater responsibilities, and the responsibilities of the European Union at this time could not be weightier. We are striving to keep pace with a world in flux that is opening up new opportunities but also throwing up new challenges.

The political map of the European continent will be redrawn in less than two years. Next week, at Copenhagen, we shall take a historic step and invite up to ten new members to join our Union. This decision will give Europe a new dimension and impose on us new responsibilities.

This sixth World Conference of the European Community Studies Association has given us an opportunity to discuss in depth peace, security and stability-related issues. All the participants here are aware of the great responsibility represented by the half a billion people who will be living in the EU after 2007.

These 500 million people will not settle for less security than the citizens of the present Union of Fifteen. They want the same protection against organised crime and international terrorism as present members. And they want the benefits that led them to choose the EU as their political haven: stability, prosperity, solidarity, democracy and freedom.

If we are to keep pace with this changing world and shoulder our growing global responsibilities, we, as the Union, have to take the necessary measures. If we want to satisfy the rising expectations and hopes of countries abroad and the peoples of Europe, we have to become a real **global player**. We are only beginning to act as one.

The Balkans, Afghanistan and the Middle East are only three examples of the challenges facing the world community. The EU has to play its part in dealing with them.

The EU's foreign policy must be brought up to speed. It must be expressed with one voice and vested with the necessary instruments. There is no other way to guarantee our security in the long term.

The Commission has just presented its second communication to the Convention. We made detailed proposals for reform of EU structures to make sure that they continue to work properly. And we also pleaded for a strong Commission, which, as guardian of the community interest, will strengthen the Union.

The Community method will be valuable in the field of foreign relations too.

The EU has much to do yet if it wants to make an effective contribution to international **security**.

Let me now deal in more detail with the central item on this conference's agenda: **stability**. Lasting and sustainable stability in the European region, has been the crowning achievement of the European Union. This is what we do best, if I may say so.

We are projecting stability beyond the borders of the current candidate countries, which are already sharing in our prosperity. We should recognise that this success creates legitimate expectations in the EU's future neighbours which, in turn, wish to reap benefits from the current enlargement.

Is our present neighbourhood policy well-defined enough to meet the challenges thrown up by enlargement? I want to focus on this issue because I think we have not yet got to grips with the underlying problem. Today I am going to talk about the need for a new political perspective on relations with our southern and eastern neighbours. My aim is giving them incentives, injecting a new dynamic in existing processes and developing an open and evolving partnership. This is what we call our proximity policy, a policy based on mutual benefits and obligations, which is a substantial contribution by the EU to global governance.

Let me reiterate. The current enlargement is the greatest contribution to **sustainable stability and security** on the European continent that the EU ever made. It is one of the most successful and impressive political transformations of the twentieth century. And all this has been achieved in a less than a decade.

This achievement is the fruit of a decision taken by the EU in 1993 and the consistent efforts of the Union and the candidate countries ever since. The initial decision gave these countries hope for the future.

By holding up the goal of membership we enabled these governments to implement the necessary reforms. Only this prospect sustained the reformers in their efforts to overcome nationalist and other resistance and fears of change and modernisation.

Such hope is a strange thing. It has much in common with the trust people have in you. It determines how you look at people or events. How does a country envision its future when it is lacking direction or confidence? Hope gives direction and so inspires confidence. But the future must be attractive to inspire hope.

The EU looks certain to remain a pole of attraction for its neighbours. For many of the countries in our future "backyard" the EU is the only prospect. Many of these countries have already received a formal undertaking from the Union.

The integration of the Balkans into the European Union will complete the unification of the continent, and we have held out this prospect to them. Although there is still a long way to go, the Balkans belong to Europe. The process of integrating them will create a sort of bridge between enlargement and neighbourhood policy.

Each enlargement brings us new neighbours. In the past many of these neighbours ended up becoming candidates for accession themselves.

I do not deny that this process has worked very well. But we cannot go on enlarging forever. We cannot water down the European political project and turn the European Union into just a free trade area on a continental scale.

We need a debate **in Europe** to decide where the limits of Europe lie and prevent these limits being determined by others. We also have to admit that currently we could not convince our citizens of the need to extend the EU's borders still further east.

It is a question of responsibility: We have to develop a blueprint for future action to deal with a problem stemming directly from the success of enlargement.

What have we to offer our new neighbours? What prospects can we hold out to them? Where does Europe end? These are the questions we have to answer. The European public is calling for such a debate. I know: This debate will heat up after the accession of new members. Therefore it is our duty to start finding some answers.

I want to be perfectly clear on this point: Article 49 of the Treaty on European Union provides that any European State which respects the fundamental principles of the Union can apply for membership.

So whatever our proximity policy is or will be, no European state that complies with the Copenhagen criteria we established in 1993 will be denied this prospect.

But to clear up any doubt, let me also say this. Holding out such a prospect to a country does not mean promising this country that it will definitely join.

Accession is not the only game in town. Remember that enlargement does not benefit only present and future members. Future neighbours will benefit too.

Being a neighbour of the EU means better market opportunities in a more stable economic and political environment. In many cases, for instance, future trade tariffs will be lower than the existing ones for the candidate countries.

But enlargement will also create new challenges for our neighbours. Repositioning existing markets may well pose problems. We need to find solutions that will allow us to share the advantages of enlargement with our neighbours. This calls for a comprehensive approach to our neighbours.

The geographical scope of this approach is our neighbourhood in the literal sense of the word, our backyard. It includes our future eastern neighbours and the whole Mediterranean area, as I recently explained in Louvain when I spoke on "Europe and the Mediterranean -- time for action."

I want to see a "**ring of friends**" surrounding the Union and its closest European neighbours, from Morocco to Russia and the Black Sea.

This encircling band of friendly countries will be diverse. The quality of our relations with them will largely depend on their performance and the political will on either side. Of course, geography will play a role too.

It is the Commission's responsibility to come up with a way of improving relations with all these countries.

Let me try to explain what model we should follow. I admit that many of the elements which come to my mind are taken from the enlargement process. What struck me about that process is that just the prospect of accession has brought benefits to the central and eastern European countries.

You can improve the climate for direct investment without being a member of the EU. You can align your legislation on the EU's without being a member. You can have limited or even unlimited access to the internal market without being a member. You can tighten budget controls and boost economic growth without being a member.

But--and this is an important but--these benefits can only be obtained if and when the process is well structured, when the goals are well defined and the framework is legally and politically binding. And only if the two sides are clear about the mutual advantages and the mutual obligations.

The goal of accession is certainly the most powerful stimulus for reform we can think of. But why should a less ambitious goal not have some effect? A substantive and workable concept of proximity *would* have a positive effect.

The existing and well functioning instruments of the EU's policy for its neighbours are the foundations for any new approach. We should be able to combine this proposal with the variety of existing partnership, cooperation, association and stabilisation agreements. But we must also better exploit their potential and build on this basis.

Let me concentrate on the question of what *political perspective* would best extend the area of stability without immediate enlargement of the Union.

We have to be prepared to offer more than partnership and less than membership, without precluding the latter. So what would a proximity policy do for our old and new neighbours look like?

- It must be **attractive**. It must unlock new prospects and create an open and dynamic framework. If you embark on fundamental transformations of your country's society and economy, you want to know what the rewards will be.
- It must **motivate** our partners to cooperate more closely with the EU. The closer this cooperation, the better it will be for the EU and its neighbours in terms of stability, security and prosperity, and the greater the mutual benefits will be.
- It must be **dynamic** and process-oriented. It should therefore be based on a structured, step-by-step approach. Progress is possible only on the basis of mutual obligations and the ability of each partner to carry out its commitments.
- We need to set benchmarks to measure what we expect our neighbours to do in order to advance from one stage to another. We might even consider some kind of "Copenhagen proximity criteria". Progress cannot be made unless the countries concerned take adequate measures to adopt the relevant acquis. The benefits would be directly felt. As would absence of any progress.
- A proximity policy would **not start with the promise of membership** and it would **not exclude eventual membership**. This would do away with the problem of having to say "yes" or "no" to a country applying for membership at too early a stage.

I can imagine what might be the first question that comes to your mind. What is attractive about such an offer? Where's the beef? The answer is simple. But to make it work will take time and effort.

On other occasions I have already referred to this concept, which I described as "**sharing everything with the Union but institutions**". The aim is to extend to this neighbouring region a set of principles, values and standards which define the very essence of the European Union.

The centrepiece of this proposal is a common market embracing the EU and its partners: it would offer a single market, free trade, open investment regime, approximation of legislation, interconnection of networks and the use of the euro as a reserve and reference currency in our bilateral transactions.

As the Union is more than a common market there are other dimensions to be included, too:

- If we have common goals, we must also be ready to deal with common threats, such as crime, terrorism, illegal migration and environmental challenges.
- We must act together to put an end to the regional conflicts on our continent.
- We have to make sure that our common border is not a barrier to cultural exchanges or regional cooperation in the period when there cannot be completely free movement of people and labour.

Let me come back to the question as to whether we need new instruments or structures to create this new political impetus. I am normally cautious about setting up new structures if your aims can be achieved with existing ones.

The idea of “sharing everything but institutions” itself applies to existing EU institutions. But this does not exclude the possibility of developing a new structures with our neighbours at a later stage, if necessary.

I am thinking of innovative concepts such as institutions co-owned by the partners: The Euro-Mediterranean Bank and the Foundation for Dialogue between Cultures and Civilisations might be cited as examples here; both were conceived as tools to strengthen an existing process, not as an alternative to it.

I would also like to launch a new political dialogue on the basis of “shared principles and values”, making full use of all the potential offered by our common external policies.

Consider, for instance, policies on the environment, transport, research, education and culture, to mention but a few. New forms of assistance and cooperation based on the social cohesion model. Or new joint measures to tackle problems we all have at our borders.

Let me try to explain how the concept of sharing everything but institutions should be understood: The example I have in mind is the proposal I made to Russia:

A **Common European Economic Space** could provide a framework in which we could ultimately share everything but institutions. Though it will obviously not be built in a day. Clearly each partner would need to consider whether they are ready and able to adopt our standards and legislative models. However, this is only a first attempt to build something new that we can share with our neighbours to our mutual benefit.

A European-Russian High Level Group is exploring the possible building blocks of such a Common Economic Space: standards, customs, financial services, transport, industry and telecommunications are just a few.

And we can point to an example of a working economic area which has all this, and more.

The **European Economic Area**, based on the EEA Agreement, brings together the EFTA countries and the European Union under a single roof: We share one single market, which is governed by the same *acquis communautaire*. The single market entails all four freedoms: the free movement of persons, goods, services and capital. If a country has reached this level, it has come as close to the EU as it is possible to be without being a member.

I know this might take a long time for many countries. But it would help them to carry out the necessary reforms and take the right measures because they would have an objective to aim at. And it would clearly bring mutual benefits, and consequently mutual incentives, to both the Union and its neighbours.

The EEA model does not presuppose accession as a pre-requisite. But, as history shows, being member of the EEA does not exclude membership of the EU at a later date. To me this seems very attractive.

Of course, the situation of countries like Ukraine, Moldova and Belarus differs completely from that of Norway, say. Nevertheless, we should be prepared to offer them a reasonable degree of proximity that does predetermine the question of future membership in advance. Indeed, because their situation is very different and because much more time will be needed to reach a certain stage, it is worth seeing what we could learn from the way the EEA was set up and then using this experience as a model for integrated relations with our neighbours.

I feel that we need more time to develop this concept. We identified relations with our neighbours as a strategic objective of this Commission in February 2000. The job of the Commission is to seize this opportunity to find **a comprehensive solution** to the question of the Union's relations with its neighbours.

That is what I meant by **“sharing everything but institutions.”**

In this wider Europe we cannot confine our action to ad hoc, bilateral initiatives. We cannot simply ignore what is happening beyond our borders. Neither can we solve problems with our new neighbours simply by letting them join the Union.

We are tolerant and open to dialogue, to coexistence and to cooperation. We have to assume our role as a global player. The development of a substantive proximity policy should be one of the first steps.

We need to institute a new and inclusive regional approach that would help keep and promote peace and foster stability and security throughout the continent, ultimately promoting the emergence of better global governance.

Thank you for your attention.