

Mr President, Prime Minister, First Deputy Prime Minister, Ministers, Excellences, ladies and gentlemen, friends,

We meet here today in Dubrovnik, one year after Croatia's accession to the European Union and another year closer to the full integration of the countries of Southeast Europe into the European Union.

This year and last witnessed two other important milestones: the opening of accession negotiations with Serbia and the granting of candidate status to Albania. Montenegro continues accession negotiations; the former Yugoslav Republic of Macedonia is working on removing external and internal barriers for the start of negotiations. Kosovo is engaged in the SAA process, and Bosnia and Herzegovina is still searching for an adequate level of political agreement for the continuation of the European integration process.

All of these events are clear evidence of the necessity and justification of the European Union's enlargement policy and its continued success and visible benefits for not only the aspiring countries but also for the EU as a whole.

It is a policy which has delivered stability and safety. But also, much more than that. It has been the foundation of, and the catalyst for, change and democratic, political, economic and social transformation.

A transformation which some twenty or so years ago few would have thought possible. I have witnessed this first hand here in Croatia. And it is visible across the region.

Yet at the same time, as this sustained progress has been made, we have a paradox. In fact a double paradox.

First, at the time that the countries of Southeast Europe are striving to become members of the European Union, there is, within the EU itself a sense of unease. A sense that the EU is not delivering on its promises, or rather on peoples' expectations.

The second paradox is that although candidates have never faced a more rigorous accession process, there is persistent concern about the level of preparedness of new member states to effectively function within the EU and on its internal market.

I would like to look at each of these in turn.

The financial crisis of 2008 triggered an economic crisis not just across Europe but across a large part of the world. It exposed longer term structural weaknesses; unsustainable levels of debt and deficit; lack of long term reform; dependence on public and private debt; and a loss of competitiveness in a globalising world.

The economic crisis led to a sharp reduction in growth in many areas. This in turn led to a social crisis with rising unemployment, and ultimately a loss in confidence in the European model.

Europe has faced a stark choice, to work together for all our benefit or to slide apart to everyone's loss.

We have chosen to work together: to strengthen economic and monetary union, to build a banking union, to bring Europe back onto the path of growth and solidarity.

We are also engaged in a deeper dialogue about how best to democratically legitimise this process: to ensure that European integration is by the people and not simply for the people. The recent European elections are just one example. They are also a signal that, despite our difficulties, the majority of Europeans remain supportive of our common European endeavour.

The elections are also a step towards the deepening of citizens' direct engagement in the process of European integration through the election process for the President of the European Commission.

Dear colleagues,

Where does the Southeast Europe fit into this narrative?

First and foremost, because globalisation is also a numbers' game. The bigger you are the better. In an era of globalised giants Europe needs all the demographic and economic weight it can muster.

But this is not simply a demographic numbers game. Accession brings a new vigour to the Union. Each new member brings its own specificities and potential. Let me here just mention the potential for renewable energy which Croatia brings to the EU.

Of course, to be a Member State means that you have met the membership criteria. Here is where we come up against the paradox of preparedness.

I believe I can say without fear of contradiction that Croatia was the best prepared of any acceding member state. Moreover, the next acceding state, or States will be better prepared again. This is not about competing with others, but competing with oneself. It is not about who will join sooner, but about who will fulfil and attain better the reform criteria of the membership.

And yet we hear voices expressing concern about the preparedness of candidates.

Removal of these concerns is in large measure a function of the process which I have already described when looking at the first paradox.

Membership of the European Union is a moving target. As the EU develops and deepens policies so the candidate must follow. This Commission is the best friend of enlargement. There is no slowing down of the process outside the candidate countries themselves.

As much as you can hear the statement on the freezing of enlargement, we can today forget those cynical stories from the "couloirs" of Brussels' after the last big enlargement: "You pretend you want reforms, and we pretend we want you in the EU". At least for the European Commission this is not the case. There is no us and them.

The crisis has deepened Economic and Monetary Union. It has also led to the development of a system of economic governance, with the European semester at its heart which would have been unthinkable a few short years ago.

All of this requires a strengthening of capacity within our member states and by extension in the candidate and prospective candidate countries as well. For candidate countries this means an increasing focus on the foundations of the accession process.

Of course no candidate is alone in this. The European Commission and the member states are there to support you. Even though, and I speak from experience, it is often easier to appreciate this support with hindsight rather than at the moment when often difficult choices are being made.

For our part, the European Commission is placing an increased emphasis on getting the foundations right as early in the accession process as possible.

On the rule of law, our so called "new approach" means deficiencies in each country are tackled early and consistently throughout the accession process. Progress in this area determines the overall speed of the accession process.

Economic governance is the second fundamental along with promoting competitiveness and growth. Here you have our help to meet the economic criteria through the "candidate version" of the European semester. Building competitiveness of your economies, accompanied by well-designed structural reforms, is key for a successful EU accession.

Lastly, the European Commission's intention is to give a renewed focus to the strengthening of democratic institutions and reforming public administration. Here the needs of citizens and business are paramount.

In all of this we have moved, as Commissioner Füle says, "from ticking boxes to establishing solid track records". That is the only way to ensure that candidate countries enter the EU fully prepared and for the preparedness paradox to be overcome. The true value and beauty of the accession process are the reforms and changes of the economic, legal, political, social and psychological environment.

Ladies and gentlemen,

If this sounds like a lot of hard work mixed in with some difficult decision making, this is because it is exactly that. Indeed, to further encourage you, I can confirm that the work does not stop on the day of accession. In fact it intensifies.

However, I can also confirm that ultimately it is the most worthwhile of work. The transformation is profound, beneficial and ultimately is the best way of ensuring a better future and greater political and economic stability and progress for every country and for the generations of our citizens to come.

Thank you for your attention.