Speech by the President of the Council of the European Union

Translation of advance text

Mr President,
Members of the European Parliament,

On 1 January 1999 with the introduction of the euro, the common currency by eleven member states, Europe has taken a historic, or perhaps even a revolutionary step which will lend a new dimension to the project of European integration. For the first time in the history of the European integration process, that all but miraculous answer of the people of Europe to centuries of a precarious balance of power on this continent and of violent hegemony and terrible wars, an important part of national sovereignty, to wit monetary sovereignty, was passed over to a European institution. This action creates in fact a new political quality. Currency, Security and Constitution, those are the three essential areas of sovereignty of modern nation states, and the introduction of the euro constitutes the first move towards their communitarization. The real significance of this step for Europe and international politics will probably only be understood at a later date.

The introduction of a common currency is not primarily an economic, but rather a sovereign and thus eminently political act. With the communitarization of its money, Europe has also opted for an autonomous path in the future and, in close collaboration with our transatlantic partners, for an autonomous role in tomorrow's world. However, the EU resembles only partly a political subject and therefore the contrast between the communitarization of currencies and the still lacking political and democratic structures of the community will create tension the momentum of which will undermine the current status quo in the not too distant future. I agree with those who pointed out at the time of the euro launch that the common currency was a great opportunity but also just as great a risk for the EU, depending on the member states' attitude to the process of further political communitarization. They expected the opportunities to be predominant if the momentum from the introduction of the euro was used for further substantial communitarization measures leading to complete political union. The introduction would, however, turn out to be a huge risk if in the logic of this bold step on the part of the EU, other bold steps to complete integration - including the fastest possible enlargement of the EU to include Central and Eastern Europe - did not follow.

Political wisdom, but also the national interests of all member states, demand that we do not let this alternative happen. Rather, we must energetically and jointly use the opportunities afforded by the successful introduction of the euro. We must therefore strengthen the EU's ability for political action and gear its internal structures to the new tasks. Political union, including new member states, must be our lodestar from now on; it is the logical follow-on from Economic and Monetary Union.

The main task of the German Presidency is to prepare the Union's structures and procedures to turn it from a western European Union into a Union for the whole of Europe capable of global action. There are four focal points for the next six months:

Firstly, we want to bring the Agenda 2000 negotiations to a successful conclusion by 24/25 March. That is not a random date. If we do not reach agreement by then, the Union will call its ability to reform, central to the enlargement process, very much into question.

There are no two ways about it. The negotiations will be very difficult. A solution will only be found through comprehensive balancing out of interests. The German Presidency will ensure that a balanced solution is found at the European Council at the end of March, not one that is at the expense of the weakest EU partners.
Even if there is still considerable distance between our positions on key questions, I am optimistic that we can agree. During my exploratory trip before Christmas, I felt all partner countries were ready to play a constructive role in the negotiations and strive for agreement by March. Everyone knows that we will only be successful if we consider Agenda 2000 as a single package and if everyone makes compromises. There must be no winners or losers. All that will require a difficult balancing act on the part of the Presidency. To succeed we are counting also on the support and understanding of the European Parliament, with which we intend to cooperate closely.

Now we must set about the questions of substance as quickly as possible. In the field of structural policy, I consider it essential to concentrate first and foremost on the regions with the weakest structures which are most in need of support. Aid must become simpler, less centralized, more environmentally friendly and create more jobs.

The future viability and legitimacy of the EU depend on fair burden-sharing. Let me say quite clearly at this point: As the strongest EU member state economically speaking, Germany will continue to bear its responsibility and remain the greatest net contributor. But imbalances have crept into the burden-sharing process which must be evened out. This concern, which Germany shares with other member states, has been recognized as legitimate by the Commission and in the meantime also by many partners.

The enlargement, as well as the next round of WTO talks, necessitate root and branch reform of the Common Agricultural Policy and a reduction in agricultural spending. If we want to admit countries in Central and Eastern Europe which are still mainly agriculture-based, we cannot carry on with European agricultural policy as it stands. European agriculture must be made more competitive and environmentally sustainable; at the same time farmers' interests must be protected.

Secondly we want to make clear progress on an effective employment policy. The fight against unemployment is the greatest worry of people in Europe. They expect, quite rightly, not just national governments to take action against unemployment, but also efforts to be made at European level. Therefore, we want to conclude a European Employment Pact at the Cologne European Council. The pact should be the expression of an active labour market policy, which focuses more on prevention: on reducing youth and long-term unemployment and discrimination against women on the job market.

Thirdly, we want and have to make progress on the enlargement of the EU as quickly as possible. After the end of the Cold War, Europe cannot be restricted to Western Europe, rather the very idea of European integration aims at the whole of Europe. Furthermore, the geo-political reality leaves no real alternative. If this is true, then the events of 1989/90 have already decided the "if" question of Eastern enlargement, only the "how" and "when" must be identified and decided upon.

The southern enlargement of the EU was a great economic but also political and democratic success. Economic prosperity and democratic stability were the fruits of southern enlargement for the countries which joined at that time, and the EU must repeat this success with eastern enlargement. Prosperity, peace and stability can only be guaranteed for the whole of Europe in the long-term through the accession of the Central and Eastern European partners. And only with the opening up towards the East can the EU claim to speak as a cultural area and community of values for the whole of Europe. In Germany, we have not forgotten the invaluable contribution of the people of Central and Eastern Europe in ending the division of Germany and Europe.

To allow a zone of instability to emerge beyond the current EU border would be, given our experience in the Balkans, irresponsible politically. In addition, it would be a breach of promise to the new democracies with fatal consequences for Europe. Thus every wilful delay, let alone preclusion of EU enlargement, amounts to a politically and economically dangerous and expensive detour, at the end of which enlargement would come all the same, brought about by the realities and risks.
For all these reasons there is no alternative to the enlargement of the EU to include the next candidates.

We need strategic vision for the enlargement process, but also a great deal of pragmatism. We must bring the enlargement negotiations to a successful and workable conclusion as quickly as possible. Hence we ought to forget about purely academic debates about deadlines now. If we now concentrate on making EU structures ready for enlargement - and the successful conclusion of Agenda 2000 is essential for this - that does not mean postponing enlargement. The exact opposite is true. Our ability to enlarge must go hand in hand with other countries' ability to accede. The sooner the EU tackles the necessary reforms and the more intensively the applicant states continue their internal reforms, the quicker and smoother the progress of the enlargement process.

Hence, Germany remains a strong advocate of early eastern enlargement of the European Union. We want to push ahead with the accession negotiations. The candidate countries which have still to enter negotiations must be given a fair chance to catch up with the others. The fast lane must stay open. It is still too early to fix a date for accession. But if we can see light at the end of the negotiating tunnel, probably towards the end of 1999 or in 2000, following the envisaged progress of negotiations and the successful conclusion of Agenda 2000 in March, it may become meaningful or even inevitable to set a definite date to bring the negotiations to an early conclusion.

Fourthly, we want to increase the EU's ability to act in the foreign policy domain. Only a Union with an effective foreign policy can safeguard peace in Europe and bring its increasing weight to bear on the world stage. Even the large member states of the EU will be less and less able to assert their interests and protect peace in the ever more globalized world. In the multipolar world of the 21st century, the EU must therefore become an autonomous player capable of political action. We must prepare ourselves for this task by creating a Common Foreign and Security Policy worthy of the name in good time.

When the Amsterdam Treaty enters into force, by June 1 at the latest according to the current progress of the ratification process, we want to ensure that it will be applied in all areas immediately. In the field of the Common Foreign and Security Policy, the Treaty contains a package of new instruments which will increase the Union's ability to act in foreign policy matters. The nomination of the CFSP High Representative will hopefully bring significant progress. But this will only be the case if it is a man or woman with political weight who can get things done. During our Presidency, also the policy planning and early warning unit is to be set up and the new "Common Strategy" instrument introduced and with it majority decisions in the CFSP. We want to apply this new instrument first to the EU's neighbouring regions and adopt the first common strategy on Russia at the Cologne European Council. The creation of a prosperous civil society in Russia in the long term is crucial to the stability of the whole of Europe. At the present time, what we need is as much joint action as possible and maximum use of the new instruments. It is important to identify fields of common European interest better. This is also necessary to heighten the public's awareness of European consensus in foreign and security policy issues.

In the next six months we have to turn political vision into tangible progress. But we must not narrow our view to operational day to day affairs. Europe has always drawn its strength from a constructive mixture of vision and its implementation. Particularly in the next six months, it will be important to keep an eye on the wider picture.

The next target area after the conclusion of Agenda 2000 will be the EU's institutional reform. This reform is urgent with a view to enlargement to avoid institutional collapse. If the European Union is to maintain its ability to act with 21 or more members, appropriate reforms must be carried out. The key question here is the Union's readiness to accept majority decisions in as many areas as possible. The new Federal Government advocates limiting the need for unanimity in the EU in the longer term to questions of fundamental importance such as treaty amendments.
At the Vienna European Council, it was agreed that the Cologne European Council should decide on how to deal with the institutional questions not resolved in Amsterdam. I would imagine that we will give the green light to a new intergovernmental conference which could meet around the year 2001.

In the long-term we have to face the question of the aims and methods of further integration. We have followed the "Monnet method" in the European Union for more than 40 years: a step-by-step approach towards integration with no blueprint of the ultimate goal. This method was extremely successful. The goals of "no more wars" and economic redevelopment which were formulated in the 50s have been achieved. War within the European Union is now impossible from both political and military standpoints. This is the greatest achievement of the European integration process on our "continent of wars" and we should never forget this.

Economic and monetary integration is largely completed with the introduction of the euro. Only a few areas are still lacking, such as closer harmonization of tax policies as advocated by Germany. So why do we want to carry on with integration? I see two central reasons for doing so:

Firstly, because in the age of globalization no European nation state, not even the larger ones, will be able to act on their own. Europeans can only meet the challenges of globalization when we are united; and

secondly, because exporting stability to neighbouring regions is not just a historic and moral responsibility for Europe but it also lies in our own best interests. Preventive crisis management is always better, cheaper and above all more humane than acute crisis management.

The greatest shortfalls within the EU are to be found today in the fields of political integration and democracy. How can we make headway in these areas? I believe that after Maastricht and Amsterdam, the call for a European constitution will be louder than before. Such a debate will give new impetus to political integration.

For me, it is initially more a question of substance and aims than an analysis of the legal basis. The idea of a common European future, the "finality" of Europe, is hazy at present. A debate on the state of affairs in Europe could provide both direction and clarity in this area. Important questions about the future remain unanswered. What notion can rally people in favour of Europe? What balance of power should there be between Europe, nations and regions? Where do we need more or perhaps less Europe? Where are Europe's external borders? How can we further the development of a European public and strengthen the democratic legitimacy of the EU? People are right to look for answers to these questions which none of us can avoid.

If we want to turn the European Union into a strong and assertive political subject, then we need to strengthen it in four key policy areas:

1. Europe needs more democracy. The decision-making processes in the Union need to be more transparent and comprehensible for the people. The citizens need to understand at long last who is deciding what in Brussels and with what authority.

The Amsterdam Treaty has bestowed new and important rights and powers upon the European Parliament. This can only be an interim step, however. The greater the Union's ability to act, the greater the democratic legitimacy of its actions must be. The rights of the European Parliament must therefore be further extended, and that should also be a focus of the next intergovernmental conference. Wider legitimacy means that the European Parliament enjoys equal co-decision rights in all areas where the Council currently adopts legislation with majority voting. Greater involvement of the European Parliament in the election of the Commission than is prescribed in the Amsterdam Treaty is also conceivable. Increased collaboration with national parliaments, as already laid down in the Amsterdam Treaty, should also be considered.

In order to increase the citizen's rights, Germany is proposing the long-term
development of a European Charter of Basic Rights. We want to take the initiative here during our Presidency. For us, it is a question of consolidating the legitimacy and identity of the EU. The European Parliament which has already provided the groundwork with its 1994 draft should be involved in the drawing up of a Charter of Basic Rights, as well as national parliaments and as many social groups as possible.

2. The Common Foreign and Security Policy must be geared to the European values of peace and human rights and be capable of efficient crisis management. In the age of globalization, human rights have political and economic importance, above and beyond the humanitarian aspect, as demonstrated by the Asian crisis. Emerging markets can acquire investment security only by embracing ecological sustainability and human rights, not by suppressing them. The development of free markets can only last if it is embedded in a wide culture of freedom based on human rights, the separation of powers, the rule of law, democratic parties, independent unions, a free press and a critical public. During our Presidency, we will work towards strengthening the EU's human rights profile. The new EU human rights report aims to increase transparency and at the same time to provide impetus for action in the community and the member states.

The key to efficient preventive and operational conflict resolution lies in greater use of majority decisions and presenting a united front to the outside world - in the G8, the international financial institutions and the United Nations. Amsterdam can only be one step along the way towards an enlarged Union if that Union is to be capable of taking action in the foreign policy domain.

3. We need a European Security and Defence Identity to complete the Common Foreign and Security Policy. In recent times, a problematic trend to unilateralism and a turn away from multilateralism has been noticeable in international affairs. This tendency has already led to very negative consequences at United Nations level and must be cause for concern. Also global peace-keeping needs to be legitimized by multilateral organizations. But this also necessitates political subjects who are willing and in a position to use their influence to shape the international political system as an order of peace through multilateral action based on international law and in conjunction with other partners. This is another central challenge for the Europe of the future. Collective defence will remain NATO's remit. But the EU must also develop its own capabilities for military crisis management whenever the EU/WEU see a need for action and the North American partners do not wish to be involved. This issue has received fresh impetus following Tony Blair's initiative in Pörtschach and the Franco-British meeting in St. Malo.

After the single market and Economic and Monetary Union, the creation of a European Security and Defence Identity ESDI could be of great importance for the further deepening of the EU. In our double Presidency of the EU and the WEU, we will make every effort to harness the new momentum. By the time of the Cologne European Council, we want to draw up a report on possible further developments of the ESDI.

4. In the field of justice and home affairs, the Amsterdam Treaty aims to create an area of freedom, security and justice. We want to attain this goal step by step. The special meeting of the European Council in Tampere in October ought to take stock of the situation and establish further guidelines. During our Presidency we also want to discuss asylum policy burden-sharing as well as the humane handling of refugee flows. A more effective fight against international organized crime is crucial for Europe's ability to act and its acceptance amongst the people. We need to step up cross-border cooperation between police forces and increase Europol's operational capabilities. The issues just mentioned, however, point out the urgent need for the entry into force of a European Charter of Basic Rights.

During my Presidential trip before Christmas, I met my Spanish colleague in the conference centre in Madrid in which the Peace Implementation Conference for Bosnia was also being held. While we, the Spanish and German Foreign Ministers and delegations prepared important EU decisions about the Europe of the 21st century, the
Europe of integration, the conference had to focus on solutions to the Europe of the past, the Europe of nationalism and war. The historical disunity of Europe was glaringly obvious in Madrid on that day, but at the same time the historical challenge which lies before us was also made clear. Both alternatives make up the current reality of Europe, but we, the Europe of integration, must not give the Europe of the past any chance for the future because that would be a disaster for our continent. Only the Europe of integration is viable and only this Europe will peacefully put to rest the discord on our continent and be able to make the EU into a political subject able to help shape the future of a dramatically changing world. Several generations have worked on making the European house, the EU, a political success. Our generation has the challenge of completing this Europe of integration.-