

**Speech by the President, Jan Peter Balkenende, to the European Parliament,
in Strasbourg on 21 July 2004**

Mr/Madam President, Members of the European Parliament, Ladies and Gentlemen,

I have great pleasure in today presenting the Netherlands Presidency's priorities to you, the directly elected representatives of Europe's citizens.

As Members of the European Parliament, you hold one of the finest and most important offices of all in the European Union. It is no accident that Parliament is the institution placed first in the Treaty. You watch over the quality of our community, which is above all a community based on shared values. You have received a proud mandate from Europe's citizens. I wish you every success in carrying it out and warmly congratulate you on your election.

I should particularly like to congratulate Mr Borrell on his election as President of the European Parliament. I also wish you every success in that important position.

Even though we play different roles within the European Union, we have much in common. The main thing, in my view, is a great sense of responsibility: for Europe, for the substantive issues on which we want to make progress and, above all, towards the people of Europe, for whom we are doing all this.

I should like to thank the Irish Presidency for the great job done. Bertie Ahern and his team have performed wonders.

Successful enlargement to bring in ten countries, agreement on a new European Constitution and mutually agreed selection of a really top-class nominee as President of the new European Commission: these are resounding achievements. In their

dealings with the European Parliament as well, the Irish have set an inspiring example, which we should like to follow.

Allow me to say a few words about the European Council's nomination of José Manuel Barroso for the position of President of the European Commission. You will be discussing this issue later on today and tomorrow. I see Barroso as a man of dialogue, but also someone who does not shy away from taking a lead.

The Council believes that he is the man to take the Commission forward at this time. Someone who, together with others, can help promote economic growth and increased security. We therefore hope that the European Parliament will approve his nomination tomorrow.

Ladies and Gentlemen, there is a fine open-air exhibition to be seen around my offices in the centre of The Hague at present. Young visual artists from European Union countries have been asked to create a work inspired by Europe's striving for peace and justice. The event is entitled "Art the Great Communicator".

From my own office, I can see a number of the exhibits. What image of Europe do they present?

One work shows Europe as a maze.

Another shows it as a tower under construction.

A third shows it as a drowning man trying to pull himself out of the water.

These reflect many different ways of looking at Europe.

How do Europe's citizens see it? Judging by the turnout at the recent elections, its citizens do not see Europe as a masterpiece to enthuse about. For the fifth time in

succession, fewer Europeans turned out to vote. Some groups are swayed by mistrust and doubts regarding European integration. A critical view is taken of the European project, both within and outside the European Parliament.

The Netherlands Presidency can fully understand that.

However, critical comment forms part of democracy. It can serve to *strengthen* democracy. There is no reason to lapse into pessimism. On the contrary, there is a need right now to show Europe's citizens that Europe belongs to them. A work in progress. Not perfect. Open to improvement. Yet worthwhile and, as history teaches us, vital if we are to tackle problems which no country can resolve on its own.

That makes the European Union worth actively contributing to.

The Netherlands Presidency wants to send out that message loud and clear, with both heartfelt ambition and clear-headed realism.

Cooperation with you is of the utmost importance in this. Whether you are among those who see Europe as a maze or those who see it as a tower under construction, you all represent the views of Europe's citizens. They are what it is all about. We should like, with you, to make tangible headway, recognised and appreciated by those citizens.

I realise that the period ahead is for you a time when new developments have to become bedded down. The European Parliament's membership has been expanded to 732. Parliament has been joined by 162 representatives from the ten new Member States, who have to find their feet. Political families are changing their make-up and taking in new members. It is pleasing to see that you are energetically getting down

to business and pressing ahead with Parliament's legislative work.

There are more new developments in store, too. The new Constitution considerably increases the European Parliament's influence over decision-making and the course of events in the Union. National parliaments are also to play an important part in addressing the question of whether there is actually any need for European regulation in specific cases.

This will make the Union more democratic. Under the new Constitution, its citizens will make themselves heard **more loudly and more forcefully**. Even those who take a critical view of European integration will be better placed under the new Constitution.

National parliaments are already busy considering how to make use of the new powers. This is one of the major pluses under the new Treaty. I am sure that your Parliament will also now be giving considerable thought to preparing for the greater role which you are going to play.

The Netherlands Presidency welcomes the extension of the European Parliament's powers. This is one of the major pluses under the new Treaty and thus also a strong argument in domestic discussion of approval. In a number of countries, approval will arouse heated debate. I hope that, in the process, facts will not lose out to presentation. The new Constitution will undeniably bring the Union closer to its citizens and that is surely something we are all particularly anxious to see.

At just such a time of new developments, it is important to remain on course and ensure that we continue to make progress for Europe's citizens. Without smooth cooperation between the Council, the European Parliament and the Commission, that will not be possible. The Netherlands Presidency is ready and willing to work

constructively with you and sincerely hopes that you are willing to work constructively with us.

Like many in this chamber, the Presidency regrets the failure as yet to resolve the long-running issue of Members' Statute. With your support, the previous President put in a lot of hard work, but without any result so far. If there is any prospect of a solution, the Netherlands Presidency will certainly assist in arriving at one.

It is not possible, within the space of this presentation, to cover all of the substantive issues on the agenda. I shall therefore merely deal with those subjects particularly in need of our mutual attention. Without wishing to tread on subsequent Presidencies' toes, we clearly have to venture to look beyond 1 January 2005. We are all too aware that it will take a number of years for objectives to be achieved. The Netherlands Presidency is only one link in the chain. That is why we are trying to create the best possible conditions for the work of future Presidencies. The Netherlands Presidency will constantly endeavour not to lose sight of *longer-term* interests. If there is one thing we want to bring to the Union, it is our **forward-looking** approach.

Internally, by working for consolidation of the enlarged Union, for sustainable economic growth, for security and for a sound financial foundation for the years ahead.

Externally, by looking ahead, together with our partners elsewhere in the world, and by operating more decisively, as a Union, on the world stage.

Firstly, **consolidation of the Union**. The ten countries which joined on 1 May 2004 need to be able to feel completely at ease within the Union as quickly as possible. The Presidency has a particular responsibility in this. We shall do our level best to ensure that the new Member States can fully participate in all of the Union's proceedings as soon as possible.

At the same time, we want to pave the way thoroughly for future enlargements. Membership negotiations with **Bulgaria** were completed a short while ago. Those with **Romania** have reached a very advanced stage. Membership negotiations with **Croatia** are to begin next year.

In December, too, the European Council is to consider whether **Turkey** fulfils the Copenhagen political criteria for human rights and democracy. If so, membership negotiations will be opened with Turkey as well.

The decision must be arrived at *honestly*, under the ground rules to which we previously, in 2002, firmly committed ourselves. That means strict application of the criteria laid down, but without inventing any new criteria.

We must not allow ourselves to be guided by fear, e.g. of Islam. Raising barriers to any particular religion does not fit in with Europe's shared values. Our opposition should be directed not against religions but against people and groups misusing their religion to get their way by force. Islam is not the problem. Muslims, Christians and people of other beliefs can live together perfectly well. The problem is not religion but *misuse* of religion to sow hatred and intolerance and to repress women.

The decision concerning Turkey does nonetheless greatly concern and trouble many people. The Presidency wants to make possible a well-founded decision which gains all-round endorsement and will also hold firm in future.

A forward-looking approach is also at the heart of the second item on the agenda: **sustainable economic growth.**

After a period of stagnation, Europe's economy is gradually starting to pick up again. However, recovery is *slow* and *laborious* as a result of the underlying weaknesses in our economic structure. Europe's economy has stiff joints and makes too little use of its head. This makes our competitors too quick and too smart for us. Anyone who looks objectively at the developments sees that Europe is losing ground, even in periods of economic recovery.

We must avoid focusing on our *own* job, our *own* social safety net, our *own* pension. We should turn our attention to the jobs, social safety net and pensions of our *children.*

How strong will Europe be in several decades? Will it be a place where our children and grandchildren can build a good life? Can we continue to put into practice our values of solidarity and social justice?

Beware: these are things that cannot be taken for granted. Look at the booming economies of China and India. Is Europe strong and flexible enough to hold its own against that competition?

It is against this background that we must give top priority to the implementation of the Lisbon strategy. During the Netherlands Presidency preparations are being made for its interim review. A working party chaired by Wim Kok is currently drawing up a report on what we have achieved thus far and what remains to be done. That report will appear at the European Council on 5 November.

Europe is failing to grasp important opportunities. We do not take advantage of what our internal market offers. In particular, the market for services is still subject to all kinds of national restrictions. And it is in this sector that most Europeans earn their living!

This means that we do not sufficiently exploit the internal market's strength. If we realise that 1,8 percent of the Europe's GDP and **2,5 million jobs** depend on the working of the internal market, we have every reason to strengthen that market and expand it towards the services sector. The Directive on services proposed by the Commission is an important step in the right direction. It goes without saying that the swift approval of this legislation can give a significant boost to the European economy.

The functioning of the internal market can also be improved by fewer and better regulations. We must make the rules work for *us* instead of the other way round. The Irish, Netherlands, Luxembourg and United Kingdom Presidencies are working together to make this a priority.

Many of the aspirations contained in the Lisbon agenda will have to be fleshed out in the Member States. Labour markets must become more flexible and social security systems more enabling. Pensions systems must acquire a firmer basis so that future generations can continue to build on them.

In the global economy of today and tomorrow, not only must Europe be flexible, it must also use its know-how. Europe's innovative capacity is not strong enough. Let us take one example. Some 400 000 European scientists are currently working in the United States. They make up 40 percent of the America's scientific community. This is an enormous exodus of people whom we ourselves sorely need. That is why we must vigorously continue to improve the knowledge climate in Europe. One concrete

measure is the setting up of a European Research Council geared to providing risk capital for research.

Our aspirations are focused not only on economic growth, but also on sustainability. The Netherlands Presidency will endeavour to strengthen the environmental dimension of the Lisbon process, paying special attention to sustainable mobility, clean technology and international climate policy.

The Union is more than an economic project. Sixty years after D-Day, it remains a project for freedom, solidarity and mutual respect.

Of the intangibles that particularly preoccupy people, **security** is the most important. Greater security has always been a driving force behind European cooperation. At one time we sought a precarious peace on a continent torn apart by war. Now we face new threats that compel us to act: terrorism and organised crime. Threats that we can only overcome together.

It is essential that together we continue to look ahead. Now that the Tampere programme is ending, new steps are necessary to extend the European Area of freedom, security and justice further. The Netherlands Presidency is endeavouring to ensure that the European Council on 5 November outlines a vision that is as concrete as possible.

In a free Europe with open internal borders, it is essential that we align our criminal-law systems and that our cooperation is watertight. Legally and geographically, the Union must offer no place of refuge to criminals who abuse the freedom that Europe offers them.

In so doing, we will at times have to walk the extra mile. Sometimes countries are

strongly attached to their national traditions as regards police and justice. However, without more extensive coordination in these areas, we continue to run the risk of criminals evading the law and jeopardising our security.

Last month, the European Anti-Terrorism Coordinator, Gijs de Vries, outlined how Europe can curb terrorism more effectively. The Netherlands Presidency intends to take active steps to elaborate and implement the proposed action points.

The Netherlands Presidency also attaches priority to a new European drugs strategy for 2005-2012. This will focus on the joint approach to large-scale drug trafficking and also on improved prevention and health care.

Tension sometimes exists between freedom and security. Neither can ever be absolute. The important thing is always to strike the proper balance.

We must strike the same balance in the area of asylum and migration, which is another part of the follow-up to Tampere that will be on the agenda at the European Council on 5 November.

We do not wish to create a Fortress Europe, but we also witness the hectic movement of asylum seekers and illegal immigrants entering and passing through. Facilitators ruthlessly exploit this phenomenon. Furthermore, we know from experience how much it takes in order to provide newcomers with full opportunities in our society. Control of migration flows is therefore necessary, and we can only do that together. In a Union with open internal borders we cannot afford not to have a European policy on asylum, immigration and repatriation.

We are entering a phase of further harmonisation, as provided for in the Tampere programme. Our efforts are directed towards a common asylum system and improved

protection for refugees in regions of origin. We must act together, on the basis of solidarity between Member States, to combat illegal immigration. This requires effective surveillance of our external borders. The Agency for the management of external borders is vitally important for this purpose. However, we must ensure that it can become operational in 2005.

Europe offers a place to anyone who is entitled to come. By "place" I mean much more than a roof over one's head. A place means a place in our society. We intend to pay greater attention to the integration of newcomers. In this area Member States have their own traditions. While there must be room for such traditions, we can also learn from one another's experiences.

A credible asylum and immigration policy also entails the return of those who are not entitled to stay here. The Netherlands Presidency has the task of forging ahead with repatriation policy before the end of the year. This involves, inter alia, common repatriation procedures and operations and the establishment of repatriation and readmission agreements.

The last main item on our internal agenda that I wish to refer to is the **financial basis for future years**.

Negotiations on the EU's future multiannual budgetary framework - the **financial perspectives** - should be concluded in 2005. This is a delicate matter, which is viewed in many different ways. The Netherlands Presidency considers it its duty to give those highly complex negotiations the best possible structure even before they begin by agreeing this year on the guidelines and principles on which they should be based. This should increase their chances of success.

Of course, the European Parliament will be heavily involved in preparations for

establishing the new financial perspectives.

A Union which looks towards the future must also look outwards. **Our future is closely linked to that of our neighbours and partners elsewhere in the world.**

We are a Union of 25 developed countries. A community built on the cornerstones of freedom, solidarity and mutual respect. And the world's largest economic bloc.

The world rightly expects great things of us. Are we fully living up to those expectations? Europe could be more decisive. We could achieve more by uniting our forces and speaking more in unison.

The major global issues of our time are combating terrorism, furthering human rights and democracy, economic development and action against poverty. In these areas Europe must speak with a single, resonant voice.

The European Security Strategy, and in particular the broad vision on which it is based, provides an excellent foundation for doing just that. It is about more than just expanding the EU's own capacities for crisis management. The Netherlands Presidency is keen to use every possible means to work towards implementing the Security Strategy.

The **United Nations** is at the heart of multilateral cooperation and must remain there. As the President of the European Council, the Netherlands will play an active role in discussions on reforming the United Nations. Extra impetus also needs to be given to the multilateral trade system. Following the failure of the Cancun talks, we have an opportunity this year to achieve real progress in the WTO. Everyone will gain from that.

Cooperation with our transatlantic partners, with whom we have such an enormous amount in common, is also extremely important. We must not forget that our values, vision of peace and security and economic ambitions are largely identical. The transatlantic alliance is and will continue to be of special significance.

As a result of the most recent enlargement, the EU has gained not only new members, but also new neighbours. We feel closely associated with them and want to strengthen our ties with them. The same applies to countries in the "wider Middle East" and the Mediterranean. The Netherlands Presidency is keen to work towards increasing stability in that region and encouraging reforms in the political, economic and sociocultural arenas. The Barcelona process must be strengthened and intensified.

The Netherlands Presidency will devote a great deal of time to the **Middle East** peace process. Europe must make a concerted contribution to the future of Iraq. In so doing, we will rely on the pivotal role of the UN and take account of the desires and needs of the Iraqi government and people.

Our economic and political relations with **Asia** have become much more important in recent years. The Netherlands Presidency will continue to build on the strategic relationship with our Asian partners at the proposed summits with China, India, South Korea and ASEM. We will also take that opportunity to look specifically at the sensitive issue of human rights.

One in seven of the world's population suffers from chronic hunger. In **Africa** in particular, poverty, conflicts and epidemics are taking a heavy toll. The European Union will not abandon Africa to its fate. The situation in Darfur, Sudan, comes most readily to mind in that connection. The EU must remain active there, not only in terms of relief work but also in a political sense. We are exerting pressure on the Sudanese authorities to improve the situation, and will not hesitate to step up that pressure if they fail to take sufficient action.

Apart from Darfur, the EU will continue to devote its energies to combating HIV and AIDS and preventing conflict in Africa.

Ladies and gentlemen, every era is an era of transition. The same applies to our term of office as President of the European Council.

One of the features of our era - 2004 - is that the European Union is faced with a paradox.

On the one hand, we have seen the dream of the founders of the European Union fulfilled. The countries of Europe have dared to throw in their lot together, and have thereby brought about reconciliation, stability and prosperity. Whichever way you look at it, that is a huge achievement.

On the other hand, however, it is becoming increasingly clear that such cooperation and such a feeling of solidarity are no longer obvious to many people. We seem to be finding it more and more difficult to identify our common ground, as if we have lost sight of what connects us at the deepest level.

This is something which cannot be ignored, especially now that the EU is working intensively on its enlargement. Before an edifice can be extended, it must be ensured

that its foundations remain solid, otherwise the entire structure and therefore all its inhabitants are at risk.

In the light of this, the Netherlands has decided to take the initiative of organising a debate on the importance of **European values** in 2004. The fact that such values are enshrined in the Constitution is not enough. They must also live on in people's minds and hearts. Specifically, we will devote a number of meetings to that subject and develop initiatives to stimulate discussion of European affairs with Europe's citizens.

In this way, we hope to make Europe's citizens more aware of what it means to be European. What makes Europe so valuable is that we are a community in which freedom, respect and solidarity hold equal weight. Are we sufficiently aware of the importance of that fact?

The European Union is not perfect. However, that is no reason to write it off or adopt a casual attitude to it. We should be afraid not of *criticism*, but of *indifference*.

Criticism is good. Without it, there would be no improvement. Indifference, however, is not helpful. Even worse, it undermines what has already been achieved.

The Netherlands Presidency wants to work constructively with you, the directly elected representatives of the citizens of Europe.

Perhaps I can give the final word to just such a citizen. A major newspaper in the Netherlands is currently publishing a series of portraits of ordinary Europeans and their visions of Europe.

One of the subjects is Ilma Kaulina, a 39-year-old graphic designer from Riga. Her husband is a bus driver, and they have three children.

Ilma Kaulina does not regard Europe as a panacea. Although she is critical of Europe, she does expect certain things of it.

She says: "The European Union can give us a better life. If you overlook the cultural differences, you can see that together we have the prospect of a better social and economic future. All the obstacles will fade away in time. "

That is how I would sum up our approach. Together with you, the Netherlands Presidency will do everything in its power not to disappoint Ilma Kaulina from Riga.

Thank you.
