

η Οδηγία
για το επόμενο
τα ΧΡΕΟΑΔΕΥ
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Intervention by Prime Minister C. Simitis

Topic: "The Future of Europe"

The State of the Union.....

1. There can be no question that European integration has reached a critical stage. On the one hand, we can justifiably be proud of our contribution to the remarkable achievements over the past years: the establishment of the single market, the spectacular progress towards the creation of the single currency - Euro, the strengthening of the Union's external personality through the setting-up of the common foreign and security policy. More significantly perhaps, the European Union has emerged as a key factor for stability, democracy, social justice and prosperity in Europe especially after the momentous changes that have transformed profoundly the European landscape since the end of the cold war. The growing number of applications for accession to the Union bears witness to that. Practically all European countries tend to view the Union as a framework within which they can cement stability, democracy and security. The challenge of enlargement facing the European Union constitutes a measure of the Union's success and, at the same time, a historic opportunity for building a new European order capable of harnessing the forces of change for the benefit of all. It is an opportunity that the Union cannot turn down.
2. The economic turbulence that has been afflicting the international economy since last year and has spread to many parts of the world reaching Russia underlines the need of accelerating the process of enlargement with Cyprus and the countries of Eastern Europe. The political logic of enlargement should prevail over the economic problems and difficulties that hinder progress in the enlargement process.
3. That said, we have to recognize that these remarkable achievements are marred by the existence of serious social, economic and environmental problems in the Union, problems compounded by the turmoil in the international system. The unacceptably high and persistent levels of unemployment, social deprivation and exclusion, ecological degradation, crime and the failure of the Union to play, through the activation of the CFSP, a more energetic role in preventing or resolving conflicts, are all problems keenly felt by European citizens. And yet the European Union appears incapable of offering workable solutions. As a result, the legitimacy of the Union has suffered considerably. A sizeable number of ordinary European citizens feel disenchanting with European institutions and practices and they tend to distance themselves from the Union.

The Future of the Union.....

4. Confronted with this situation, prospects, problems and challenges and especially the challenge of enlargement and EMU, we have to look afresh at the future of Europe and the content and purpose of European integration. We, as socialists, have to elaborate an integrated, political strategy for the future evolution of Europe, a strategy reflecting our objective for shaping a democratic, social open Europe close to its citizens and capable for contributing actively to managing crises in the international system. In doing so, we must rediscover the primacy of politics and make European integration part of our political project with the ultimate objective of transforming the European Union into a real Political Union democratically legitimized and responsive to the needs and aspirations of the European society.
5. In my view, we must take action and develop new strategies on the following fronts:

A new policy Agenda.....

- (a) first, we have to re-examine the policy agenda of the European Union with the view of ascertaining whether this agenda corresponds to the real needs of the European public and society. It is my belief that we have to reshape our agenda in such a way as to strengthen significantly the social content and dimension of our policies with actions addressing directly the problems affecting the European citizens. We need to build new forms of social solidarity in the Union that would help to preserve and at the same time to adjust the "European Social Model" to new conditions. We need more coherent and efficient policies for combating unemployment, strengthening social and economic cohesion, promoting the "society of knowledge", education, environment, culture. These are policies that the European citizens demand from us. They are also policies which could go a long way to revitalizing the "European social model" and complement the economic and monetary union. It is in this context that we must reevaluate the volume of the Union's budget and the role of redistributive policies.

Institutions and Subsidiarity.....

- (b) secondly, we have to look afresh at the EU institutions and their workings taking into consideration the principle of subsidiarity in this respect. Let me explain here that I see subsidiarity as a principle underpinning democracy in the Union and this is, I think, the real meaning of the concept: namely, that decisions in the Union should be taken democratically with the active participation of the citizens. The concept does not deal with the allocation of competences among

the Union, the national states and the regions. This task is entrusted to Intergovernmental Conferences. In the same vein, the principle of subsidiarity should not be interpreted as implying the renationalization of policies, the watering down of the "acquis", or the curtailment of the role of the supranational organs of the Union.

6. The real question is how we can structure the institutions of the Union in a way that they identify with the European citizens and are at the same time capable of absorbing the impact of the new enlargement. My tentative answer to this question is that the model which could provide inspiration is that of a federally structured system. This system could guarantee three very important elements: democracy, decentralization of powers and equality among all member states. It could guarantee, that is, the balance between the supranational character of the Union and the preservation of the national and cultural identities of our countries. As socialists, we have somehow to reinvent the real meaning of federalism. More concretely, I would suggest:

- to strengthen further the role of European Parliament turning the body into a full fledged legislature,
- to explore the possibility of setting up new forms of legitimization in the Union,
- to strengthen and streamline the role of the European Commission,
- to expand qualified majority voting in non-constitutional areas of policy-making.
- In this context and as a long-term objective, we can perhaps explore the idea of drawing up the Constitution of the European Union.

7. In pursuing all this, our ultimate objective should be to endow the Union with effective, democratic governance capable of mustering the EMU, the enlarged Union the crises and problems of the international system. This should be done however in a way that preserves the institutional unity, integrity and coherence of the Union. Naturally, whatever forms of flexibility are employed for the future construction of Europe, they should not conflict with these fundamental principles.

Strengthening the international role.....

- (c) thirdly, to strengthen the international role of the European Union. The turmoil in the international economic system has highlighted in a dramatic fashion the need for new regulatory regime and institutional discipline of the global economy. The uncertainties and instabilities threatening the world require a much bigger and active role on the

part of the Union. The Union should therefore develop its common foreign policy and gradually transform itself into a genuine security system capable of safeguarding European security and stability. In this connection we should reconsider the Union's relations with WEU and NATO.

(d) fourthly, to reexamine seriously the position of the countries which are not likely to join in the foreseeable future the Union, or are situated in the periphery of Europe. These countries should be incorporated into a wider, pan-European system of cooperation and relations. In this context, we must elaborate a long-term, overall strategy for assisting Russia in its transition process and integration into the European system.

A New IGC?

8. The European Union should enter the new century with a new vision and new agenda reflecting the new realities and conditions prevailing in the continent and the globalized system. The creation of Euro constitutes a revolutionary step in the process of building European unity. But the process should go beyond economics. It should embrace the political and social domains. European Union should develop into a political entity with strong, democratically-structured political institutions providing leadership in the unstable world and, more significantly, an alternative model of social and political organization, alternative, that is, to the chaotic state of unbridled capitalism.
9. [Procedurally, I am of the opinion that all these various elements and aspects should be dealt with as an overall package in the context of a new Intergovernmental Conference to be convened before the first enlargement of the Union. In the meantime and in order to prepare properly the work of the new IGC, we can set up a group of wise men consisting of personalities from all member states to elaborate proposals for reform].