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THE PRIME MINISTER

**SPEECH BY PRIME MINISTER GUY VERHOFSTADT
AT THE UNIVERSITY OF ATHENS**

ATHENS, 14 MARCH 2006

Chancellor,

Dean,

Excellencies,

Ladies and Gentlemen,

The last time I spoke here in Athens was in December 2003 at the opening of the International Conference Centre at Athens Concert Hall. That was just eight months before the start of the Olympic Games. Just like winning the European football championship, organising the Olympic Games is a major challenge. For some it even seemed an unattainable dream. But those who said that were mistaken. Organising the Olympic Games was indeed a highly ambitious challenge, but Greece succeeded fantastically well. What's more, you succeeded in reviving the old Olympian spirit.

So not all dreams are unattainable, as history has shown us several times. European unification was once an unrealistic dream mentioned only by poets and philosophers. Even when Jean Monnet came up with the idea during World War Two, he wasn't taken seriously. But by the end of the war, people's minds were clear. Suddenly, the dream of European unification had been transformed into an ideal to aim for.

For generations now, the unification of Europe has been held up as a major ideal, marking an end to the constant wars afflicting the Old Continent, clashes that we could now call European civil wars. Moreover, on the ruins left by two World Wars, Europe built durable democracy, prosperity and a decent level of social protection.

In 1957, when the six founding fathers signed the Treaty of Rome, they had a specific objective in mind: to develop a close-knit community and unify the continent to guarantee peace and prosperity.

Right from the outset, the project of European unification proved highly attractive. Although some countries hesitated, and decided not to sign up to the project, they ended up joining later on. Some participants were merely attracted by the commercial advantages offered by a larger market. But more importantly, others were hoping to create a safe space for freedom and democracy, as well as generate prosperity. Nations throughout Europe - especially those enduring military dictatorships - wanted to be part of a united continent. In fact, this ideal of a united Europe helped them finding the strength to embark on the road to democracy. Consequently, I think it's fair to say that the dream of European unity was a key factor that turned poor dictatorships into prosperous democracies.

The fall of the Berlin Wall and the collapse of the Soviet Union brought the dream of a united Europe within our reach. Back in 1989, nobody doubted the need for the 'lost' peoples in Eastern Europe to rejoin the European family as quickly as possible. And that's exactly what happened fifteen years later when the accession treaty was formally signed here in Athens and eight former Eastern Bloc countries, plus Cyprus and Malta, joined the European Union.

EU membership remains attractive, and a number of countries are still knocking on the door of the Union. It was under the Greek EU Presidency that European leaders in Thessaloniki strongly stated that the future of the Balkan countries also lies in the European Union.

Another crucial step in achieving the European dream was the agreement reached in 2004 on the European Constitution. This was intended to lay fresh foundations for the enlarged Europe and would constitute an important step towards the establishment of a European federation, with its own president, its own foreign policy, its own armed forces, and so on.

Unfortunately, at the same time we are forced to conclude that the political will that had driven the European project forward, has now vanished. Even worse, many people regard Europe as a problem or even a nightmare. Indeed, for some people Europe has become a 'dirty word'? Europe is blamed for everything that goes wrong. Take the abolition of internal borders, for example. Anyone who had ever been delayed for hours because of a border check, rejoiced. But today, some people are complaining about 'open' borders. Another example is the euro, the symbol of European unification. The euro is now - quite unjustly - being

blamed for the lack of economic growth in Europe. And criticism is becoming louder and louder. Sometimes they say that the European Union is not doing enough, or is too weak or too divided. At other times it is accused of doing too much. And whenever Europe **does** something, it is accused of not doing it **well**, or of being patronising, or of encroaching too much onto the territory of the Member States.

Leaders of opinion and politicians everywhere are trying to minimise European integration and even roll it back. This is happening both in countries that voted to adopt the Constitution and in those Member States that rejected it. In fact, Europe is regarded as a 'soft' target. After all, it never strikes back.

After all, it is perhaps no wonder that the Constitutional Treaty was rejected in Spring 2005. However, many people **were** surprised to see this happen, of **all** places, in France and the Netherlands, two the founding fathers.

So what should we do now? I see several options.

The first option is the 'status quo option'. This would entail simply continuing without the Constitution. This would be easy to do. It would just mean proceeding on the basis of former agreements. However, in such a scenario each Member State would continue to have a right of veto in a number of key questions. Decision-making for twelve Member States was difficult enough. For a Union with fifteen members, it was even more problematic. And for today's Union, with twenty-five Member States, it is as good as unworkable. This was made clear again when we negotiated the European budget. The financial perspectives for the next five years

look more like the 'lowest common denominator' than an ambitious project for a stronger Europe. Opting for the status quo would also mean sticking to the Nice Treaty. But as we all know, Nice was not nice enough. And even the day it was concluded, we all had to concede that further improvements were necessary. So, the status quo option is no option.

The second path open to us is the 'wait-and-see option'. This would involve simply going ahead with the ratification of the Constitution and seeing where it brings us in the next years. This happens to be our current approach. And the good thing about it is that every country will be given a chance to say its piece. However we must bear in mind that a number of countries have abandoned their referendum. So all we can do in this option is wait and see what happens, a fatalistic approach, which gives people good reason to criticise and to say that there is a lack of political leadership in Europe. A wait and see approach even combined with a few new projects is in my opinion simply not enough.

A third alternative would be the 'pick-and-choose' option. The Constitution would be scrapped, but we would save a few elements of it. This might sound easier to digest, but it could undermine the basic balance between some fundamental elements. Merely I feel that this can only result in a less widely supported, more intergovernmental approach. Moreover, we shall see that everyone wants to save different parts of the Constitution. And if we want to save them all, finally we shall adapt the Constitution in its entirety.

The fourth option is the 'roll-back approach', which would mean that we conclude from the negative referendums that people want **less** Europe.

Therefor the Union should be **scaled back** to become merely a free-trade area. Some people are producing very sophisticated arguments in favour of this approach. However, whilst I **do** support those calling for a better application of the subsidiarity principle, this certainly does **not** mean rolling anything back.

My personal view is that **none** of these options are the right way to go. So I'm advocating a fifth possibility. I feel that closer cooperation is Europe's **only** appropriate response today. Accordingly, I'm convinced that the challenges faced by Europe today leave us with just **one** viable option: the path leading to a United States of Europe.

In our global economy, new rivals are emerging in the East, where major centres of development like China and India are undergoing unprecedented transformation. Indeed, within just a few years, Asia has shifted the focus of the world economy. This development looks certain to gain further impetus in the future. After all, in some parts of Southeast Asia, the economy is growing ten times faster than in Europe. Our economy is increasingly undergoing the influence of these new economic heavyweights, in fuel prices, for instance.

Economic growth in China, India and Japan, which between them are home to two-and-a-half billion people, will change the world as we know it. This is the natural run of things, and different European countries - including Belgium - have already understood this and are therefore implementing appropriate reforms. This is also what is happening with the Lisbon Strategy.

Where Belgium is concerned, only a few months ago we decided to embark on a fundamental reform of our labour market. By adopting a whole package of measures we intend to get more people to work and also allow them to work for longer. At the same time we are also investing more heavily in R&D, have slashed red tape, and have lowered corporate tax. Right now, we are working on a new plan to increase the competitiveness of our economy and industry.

Other European countries are pumping new life into their economies by adopting similar reforms. But my point is that these national efforts won't be sufficient by themselves. What we really need is a proper **European** economic strategy. What we really need is to draw up common socio-economic policies. It is absolutely necessary to go beyond the Open Method of Coordination that we actually use in the Lisbon Strategy. We have to learn real lessons of our failures. We have to boost economic governance. And I am not talking about harmonisation. I am talking about convergence, convergence of various rules, including those governing fiscal and social security matters. And I am talking about the development of a true common research and development strategy.

However, this new phase of European integration cannot merely consist of a common socio-economic strategy. We also need a single European area of justice and security, and must be capable of tackling crime, terrorism and illegal immigration in a more coordinated manner. This **new** Europe should also have a genuine common foreign policy. This would prevent the Union from being divided, like it was over going to war in Iraq, and avoid the indecision we saw when there was a civil war in the former Yugoslavia, a war fought on our own continent. Clearly, in future we will need a European army, and not just on paper, but a force

that is actually capable of operating in the field, including beyond our borders.

The philosophy behind all these proposals is the same. I'm utterly convinced that citizens' doubts and uncertainty, as reflected in the two referendums actually constitute a plea for **more** Europe, for a **stronger** Europe. The French and Dutch didn't vote against the European Constitution because they are opposed to Europe or want **less** Europe. They voted no because today's Europe doesn't provide the right answers to their real concerns.

For example, they expect us to act together by conducting a common European energy policy. Recent events have taught us that we need to integrate our energy concerns even more in our EU foreign policy; that we should work together to ensure that our energy supply is secure, that its distribution is not interrupted, and that a larger, more competitive market leads to lower prices. People expect us to invest in new technologies and renewable energy sources. In short, they truly understand that although some choices should be left to the national level, a genuine energy policy requires a European approach.

Consequently, I'm advocating a **stronger** Europe, a more **closely integrated** Europe. I'm advocating also a **powerful** Europe that embraces a common economic strategy, a Europe that takes a **joint** stance against crime, drugs and terrorism, a Europe that speaks abroad with **one** voice. In short, I'm advocating a United States of Europe.

I hope that all the EU Member States will want to belong to it. If not, at least all the members of the euro zone should be mobilised. I know,

Europe would comprise two concentric circles: a political core, or 'United States of Europe', based around the euro zone, surrounded by a confederation of countries, or 'Organisation of European States'. We are want to continue to spread stability and prosperity, and at the same time to be inclusive. This has always been the Union's major strength. But this strength must not be allowed to become a weakness. The enlargement of the Union must not see the EU come to a halt. That is why I'm arguing in favour of a Europe made up of two concentric circles.

Naturally, the political core must never oppose any form of broader cooperation. Any member state that wishes to join the core - old or new - should be able to do so. The sole precondition for joining should be their willingness to work on pressing ahead with the overall political project.

Ladies and Gentlemen,

It is not the first time that we in Europe face such an important choice. In fact, history is full of such examples. Each time we have faced a major challenge or a serious danger, we discussed it and we concluded that cooperation or unification was the only way.

One of the best examples happened right here in Athens. In the middle of the fourth century B.C., the independent Greek states were threatened by a serious danger, namely Philip II of Macedonia. Athens was divided into two camps. The leader of the first camp was Isocrates, who advocated the unification of the independent Greek states. He said that only by uniting they could have a chance. The other camp was lead by Demosthenes. He argued that Athens had to remain independent. In addition, the city had to become the great Athens of old times once again.

You will be familiar with the rest of the story. Demosthenes won the argument in Athens. The Greek city-states did not join all their forces, and as a result they lost the battle against Philip. Even worse, they lost their independence forever.

When the battle against Philipp was lost, Isocrates committed suicide. Although he was already 98 years old, he couldn't live with the fact that he had been proved right too late. But be sure; I have no intention of going **that** far. However, in my view, history certainly points the way, a path leading to the unification of Europe, to the United States of Europe. I'm absolutely convinced of it. All Europeans face the same challenges. There is only one way to tackle them and that is to tackle them together.

Thank you for your attention.