Per Stig Møllers tale ved konferencen "Bigger and Better - how to make Enlargement a Shortcut to Growth in Europe"

Taler
Per Stig Møller
Udenrigsminister

Dato
21. april 2004

Sted
København

Director General Hans Skov Christensen, honoured guests from Estonia, Your Excellencies, ladies and gentlemen.

It is a great pleasure for me to speak to you here at this conference arranged by the Confederation of Danish Industries. Especially because the conference is so topical.

Not only is the timing of the conference excellent. In 10 days we will be celebrating the entry of 10 new members to the European Union. On May 1 we finally close the door on almost a century of war, conflict and suppression on the European Continent and we create a new Europe, our Europe, one Europe. This has been a top priority for Denmark's foreign policy for more than a decade. For me personally the accession is also a moment of great importance as the final crowning moment of the historic work we all did together during - and before - the Danish EU Presidency.

The topic of the conference is also very well chosen. With enlargement, the EU will definitely be "Bigger and Better". The 10 new Member States will give impetus and dynamic to the Union - politically and economically.

Let me give you an example. In the Economist last week, the impressive Irish growth and progress since entering the EU is highlighted. To follow the Irish example is called to "dance the Irish jig". I predict that the new members will experience the same kind of progress. This is not least true for Estonia. Estonia has from the very beginning of the accession negotiations had an ambitious approach. The latest result is the ambitious national strategy for growth "Estonia's Success 2014". On the European scene Estonia has been an active and constructive player, for example in the intergovernmental conference, and Denmark and Estonia has an excellent bilateral co-operation. All this, I am sure, will result in that we in the future will be talking about "dancing the Estonian tuljak". I recently had the opportunity to congratulate my Estonian colleague with the impressive progress, when we met in Copenhagen.

The European economy certainly needs the dynamic from enlargement. In the modern globalised economy, we should never take our prosperity or level of welfare for granted. Our competitiveness is hampered by inflexible labour markets, too many administrative burdens for companies and an insufficient focus on research, innovation and education. The EU therefore lack behind more dynamic economies such as the US and the tiger economies.

Currently we witness that many companies move jobs to China, India or other countries to remain competitive. This outsourcing of jobs is not just a fact in Denmark, but in Europe as a whole. And while it represents both opportunities and challenges for the European economy, the EU Member States have a clear interest in facing the challenges that the globalised economy poses together. We

need to push the European economy and competitiveness and deliver on the promises that we have made.

Today I will speak about how we make the EU more efficient and competitive. The two are linked. We need a more efficient EU in order to become more competitive.

First I will discuss the perspectives for the intergovernmental conference. A new Constitutional Treaty is a prerequisite for an efficient and dynamic European Union. A Union that can set political priorities and achieve its strategic goals. But we must also finance our priorities. In the next multiannual budget, or financial perspectives, the EU should redirect spending towards the strategic priorities of the Union.

Second, I will reflect upon the competitiveness of the EU. The Lisbon Strategy is and should remain the framework for enhancing competitiveness. But we need to give the strategy a bold makeover. The mid term review of the strategy next year is a crucial event in this regard and it must be thoroughly prepared by all involved actors taking a fresh look at it. Even though we timewise are only at half time, this is our last chance of setting the team and the strategy right if we are to achieve the Lisbon goals in 2010. And what we need is delivery and focus, focus and focus.

_First let me turn to the prerequisite of accelerating European competitiveness: The challenge of ensuring a dynamic and efficient EU.

The Irish Presidency has done a tremendous job with restarting the intergovernmental conference. At the European Council last month in Brussels, the leaders of the European Union agreed to start negotiations again. And we set an ambitious deadline - the European Council in June. I am very confident in the abilities of the Presidency to do the utmost to get us a new Treaty. But in the end it will depend of the political will of all Member States to give the European interest priority. But I am optimistic. Not least because it is apparent that we need a new Treaty to ensure an efficient and dynamic Union which is simpler and easier to understand, as well as bring the EU closer to its citizens.

If we do not improve the ability of the enlarged Union to take efficient decisions, the risk is high that the Member States, including the larger ones, loose interest in the Union. If that happens, decisions will move out from the meeting rooms into different capitals or the corridors and lunch restaurants of Brussels. This is not in Europe's interest - and it is certainly not in smaller Member States' interest.

The democratic procedures, that we cherish, must be clear and efficient to make cooperation work. In particular, Denmark generally supports the extension of qualified majority voting to improve the ability of the EU to take decisions. Without majority voting we would never have achieved the Single Market. With enlargement, it is even more important than before. We also support the double majority of Member States and populations as a new method of qualified majority voting.

_A new Constitutional Treaty is important to ensure an efficient and dynamic European Union. A Union that can set political priorities and achieve its strategic goals. But we also need to finance our priorities. Discussions have already begun on the next multiannual budget for the EU from 2007-2013. And while these negotiations should not interfere with the intergovernmental conference, agreeing on the multiannual budget will be a major challenge on the EU agenda the next couple of years.

A key priority in the next multiannual budget must be to ensure that the EU spending is redirected to the strategic, political priorities of the EU, where the European dimension gives added value. Making the enlarged Union a knowledge economy, making the EU a capable and active global player and improving the internal security and fight against terrorism will be key priorities for the Danish government.

Achieving the Lisbon goals will be a crucial task in the years ahead. Many of the Lisbon goals must be reached through better lawmaking, structural reforms and national implementation of EU decisions. This will not require financing from the EU budget. EU spending should be directed towards making the enlarged Union a true knowledge economy. In the years ahead we must increase spending for research and development, education and innovation. Denmark puts special emphasis on basic research and has proposed to create a European Fund for Basic Research in order to make Europe a more attractive place to do research. We should also focus more attention on improving and completing the enlarged Single Market.

The future Structural Funds should direct its focus on the poorest. The overall level of expenditure for Structural Funds should not exceed 2006 level after enlargement. Denmark understands the need for phasing-out for regions in the

current Member States, but this must be very well justified and time-limited. The 2006 level leaves enough funds for both new member states and the phasing out of old member states.

With regard to the global expenditure ceiling, Denmark remains in the group of budgetary restrictive member states. In the negotiations on the multiannual budget we have to focus on redirecting spending towards areas of strategic importance and added value.

_The institutional and budgetary framework must be in place in order to ensure an efficient Union. But also as the foundation for boosting the competitiveness of the European Union.

Competitiveness has had a special place on the EU agenda since the Heads of State and Government of Member States created the Lisbon Strategy in Spring 2000 and promised to make Europe the most competitive and dynamic knowledge-based economy in the world in 2010.

The plan was bold and ambitious. The EU needed a comprehensive strategy for sustainable knowledge-based growth. This is still the case and in my view the Lisbon framework is still the right one. But we need to revitalise the strategy fundamentally. Keeping somewhat in the language of the report that is presented here today, we must turn our spoiled and therefore inflexible mare into a fast running race horse.

Many results have been created under the Lisbon umbrella the last four years. Let me just mention a few:

The creation of a Single European Sky, the agreement on the Second Railway Package, the initiation of a Growth Initiative, liberalisation of electricity and gas markets, agreement on the tax package, an e-Europe action plan, a charter for SME's and the setting up of the Erasmus/Mundus programme.

But, as has been pointed out repeatedly, the Lisbon Agenda is limping. The Strategy is at great risk of being seriously miscredited by the increasing gap between political rhetoric in Brussels and national action. The efficiency of the Lisbon Strategy as a growth strategy is endangered by the lack of national reforms in labour markets and pension systems and the lack of implementation of already adopted European legislation. Ironically, those countries that earlier this year have raised voices about creating a pioneer group are the ones who are lacking most behind in implementing the Single Market acts.

2004 will be a crucial year in which we must take a critical but constructive look at the Lisbon Strategy. This sense of urgency grows as we get closer to the mid term review of the Strategy next year at the Spring Summit.

The mid term review is indeed crucial. What we need is a total makeover of the strategy, not just small adjustments. Since the ambitious agenda was adopted in 2000, more ambitious goals have been added. We need to use 2004 to take a

fresh look at the goals we have set ourselves. Only thereby can we restore confidence in the Lisbon strategy. We do not get any more chances to show that the EU is on the right track towards achieving the Lisbon goals in 2010.

_The previous remarks should not be taken as an expression of our lack of willingness to deliver. It is well known that Denmark is among the best performing countries according to Lisbon standards.

However, one has to ask oneself, how radical do we have to be in revitalising the Lisbon Strategy. Do we get a more competitive European economy by spreading our wings as far as today? Or should we not simplify and focus a bit more?

One idea would be to go "back" to the core of the original ambition - to make Europe a more competitive knowledge based society. The top priority of the Danish Government for the Spring Summit last month was exactly that - to redirect attention towards promoting the knowledge economy, to generate cutting edge knowledge and exploit it commercially.

This would mean focussing on research and development, education and innovation. But of course this alone will not make a comprehensive Strategy. Employment, the Single Market and the interface between competitiveness and sustainable development, as well as social policy, should be included.

The question we should ask ourselves could therefore be: Do we need a broad Lisbon Strategy? Or do we need a more - so to speak - "Tallinn" inspired refocusing of the strategy with focus being mainly on making the enlarged EU a knowledge society?

Let us use 2004 to inspire provocative reflections in order to set the Lisbon back on track for 2010. It is my hope that the independent expert group headed by the very competent Wim Kok will lay the foundation for a serious and fresh look at the Strategy.

_Revitalisation does not come by itself. In order for the mid term review to successfully put the Lisbon Strategy back on track, input is needed.

Civil society and interest organisations play an important role in this regard. They - You - deal with the substance of the Lisbon Strategy on a day to day basis. You cover all areas and have close contact with businesses and other "clients". That first hand experience is valuable and it is important that civil society and organisations review the Strategy and channel new ideas to the Governments.

_Finally I would like to touch upon the effect of enlargement on the Lisbon Strategy. I have with interest read the report that is being presented at this conference. The report is very relevant and I can only congratulate the authors with the project. Might I add - it is also an example of public-private partnership!

I share many of the conclusions and analysis in the report, not least the main conclusion, that enlargement will benefit the Lisbon Strategy.

Of course enlargement will bring challenges to the Strategy - some goals might be harder to reach. But the overall benefits will by far outweigh the challenges. The new Member States are the real pioneers in promoting economic growth in Europe. They are in "reform mode" and they have high growth rates. Their reform experiences should be most useful to older Member States with slower economies. Furthermore the Single Market will be enlarged and so will the European area of Research, Education and Innovation.

Enlargement, thus, has the potential of benefiting the Lisbon Strategy. But we need to take full advantage of these potentials and the dynamic of the new Member States - both economically and when it comes to sharing best practices. Words alone will not do it.

The Danish-Estonian report in front of us is a valuable contribution to making this general statement more concrete, and I would urge the authors to make sure, that it also becomes an input to the mid term review.

In the coming years we need to push the Lisbon Agenda forward, especially with regards to investing more in knowledge. Europe is simply not competitive

enough when it comes to generating new knowledge, nor exploiting it. The trend of outsourcing jobs in the high end of the value chain to for example companies in India is a clear sign of the need to be even more serious in our ambitions with enhancing competitiveness in Europe.

Because if we Europeans outsource our jobs without developing and renewing ourselves, we risk ending up as the losers of tomorrow in the global economy. And that was not exactly the intention.

Let us hope that we can all dance the Estonian "tuljak" in 2010. Thank you for your attention.

Tags
Det Konservative Folkeparti, EU, Politisk tale

URI
https://www.dansketaler.dk/tale/an-efficient-and-competitive-eu