

Address to the Opening Session

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Let me start by reminding the conference of two steps that must be faced and that will decide the future of the Union. They both concern fundamental dimensions of the European construction: widening and deepening. On the one side the introduction of the single currency, and on the other side the enlargement of the Union beyond the line that divided Europe in the years of the Cold War.

It is difficult to add new reflections about the single currency. As to the timetable and criteria we are told time and again that no-one may ask to review the convergence criteria and that we are committed to arrive at the deadline set. Certainly there are other rules to define; the way the relationship will be regulated between those within the single currency and those who will be outside not because of a decision of their own. Which will be the rules of a subsequent or belated convergence? Which rules will be necessary to guarantee virtuous behaviour after the beginning of the third stage of the European Monetary Union? - and so on.

The new enlargement will be more difficult to achieve, because it concerns countries that only recently crossed the river from dictatorship to democracy, from a state economy to a market economy. If in the past we had to accept, for the sake of cohabitation, that stability be given a special weight relative to democracy, nowadays we have built stability through representation and democracy.

The premiss of the enlargement is twofold. Above all the candidate countries must satisfy the conditions of adhesion in terms of the solidity of their political systems, of their economies, of their capabilities to attain the manifold organisational and institutional targets that the single market requires, to be more competitive, to sustain the objectives of the Union. Punctilious observance of human rights and, given the ethnic composition of some candidate countries, respect for minorities. The enlargement is a historic responsibility that we cannot elude, but it must take into consideration the maturity of the countries that want to benefit from it. The enlargement will take place according to a schedule that will necessarily differ according to the heterogeneous nature of the candidate countries and also because a geographical balance between various areas, Central Europe and the Mediterranean, must be taken into account.



The other premiss is internal to the Union, and concerns its character. First, it concerns the resources of the Union, their provenance and their distribution among old and new members. It will be difficult to extend the borders of the Union without having previously decided and made clear to our public opinions, and our parliaments that will be called to ratify the agreements, the way the future burdens will be shared. This is particularly compelling vis à vis largely agricultural countries that will wish to benefit from an aid policy. Italy will face this deadline with a spirit open to renewal involving agricultural and structural funds policy. The resources issue should not paralyse the future development of the Union.

The most engaging internal change of the Union concerns the institutions: how to make them capable of supporting a larger house, for which stronger foundations will be necessary. We should not delude ourselves into thinking that the Union can function according to the current rules when its membership consists of twenty or more members. Not adapting the Union might bring devastating consequences, we would risk squandering the common accumulated patrimony. We would disappoint the expectations of the countries that are knocking at our doors, we would jeopardise both the internal cohesion of the European construction and its strength of external attraction. These issues will actually be dealt with by the Inter-Governmental Conference that opens under Italian chairmanship in the first semester of 1996.

The Conference will contribute to conferring a more perceptible legitimacy on the Union, preventing and stemming the detachment and disenchantment that emerged in the popular votes on the Maastricht Treaty. From the Conference a more transparent and accessible Union will be born, a Union which will be able to join the collective solidarity and responsibility of the individual states. The Conference will be therefore the first fundamental step of the real Agenda 2000 of Europe: the changes to be accomplished from here to the end of the century will determine Europe's capability to act, its security, its internal cohesion, its dimensions. The Heads of Government last week in Majorca debated the logic and temporal succession of the various stages in the final years of this century.

The Conference represents the first step of this process and subsequent steps will depend on its success. As I said, the enlargement would be unthinkable without institutional adjustments. These are also necessary for the completion of the single currency because they must redress the imbalance left by the Maastricht treaty



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between the symmetry of the monetary construction and insufficient cohesion of the political structures of the Union.

The points that cannot be renounced in this revision process concern the internal and external security of its citizens, the efficiency and democracy of the institutions, the capability of projecting outwards the respect of international law.

The Union cannot ignore the major cause of insecurity among its citizens: the uncertainty of employment. No-one can decree full employment by treaty. A strengthening of joint action in this sector would usefully complement the strictness and the transparency of the monetary institutions, without being perceived as a lessening of commitment to virtuous behaviour in monetary issues.

The environment is another major challenge. The rules must be changed, it must be possible always to take majority decisions in order to approve a more efficient policy, the more so in view of the enlargement.

Efficiency of the Union. It will be very difficult for the Union to work efficiently in a wider context, if we stick to the current rules of consensus. Only by making the majority decision a rule, save for a few exceptions in the constitutional field such as the adhesion of new members or changes to the Treaty, may we avoid possible paralysis of the institutions.

Democracy within the Union. This seems to require an equal status on the legislative level between the Council and the European Parliament. We must finally give to the elected Institution of the Union the powers to which it is entitled according to a rational division of the roles. This obviously with reference to the matters which are within the competence of the Union.

But the greatest challenge awaits the Union in the field of foreign policy after frustrating performance in the Yugoslav crisis. Nowadays the veto of the great power is no longer cast: the United Nations deal with all crises, whereas greater responsibility at regional level would be advisable. Hence the need of a greater role for the Union. Otherwise the path will be open to a new nationalisation of foreign policies, to concert of nations that would lead us back to the past.

Non-marginal changes will then be necessary. A Foreign Minister of the Union, who may give visibility and continuity to his actions like the Secretary-General of Nato or the United Nations. But also a major increase in the efficacy of the decision-making



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process in order to avoid paralysing vetoes. We think that within certain limits it should be possible to resort to a majority vote even in our common actions in foreign policy.

These actions could find a less precarious financing in the budget of the Union rather than on a national case by case basis. Moreover it would be necessary to strengthen the efficacy of the Western European Union through a better link with the European Union to the point of making the WEU an integral part of the EU.

These are the lines along which the Union would be able to face the challenges. These policies reflect the principle of subsidiarity that asks for ample autonomy, but also require that the Union be effectively equipped in the face of those problems that can only be effectively tackled at the Union level.

Our efforts may fail either because we can find no agreement or because our agreement cannot find the assent of our public and parliamentary opinions. But we are risking the danger of a more insidious failure that would occur if, instead of looking for compromise in the effort to provide the Union with the instruments necessary to face the challenges that await it, we declared ourselves to be satisfied with marginal changes. The Inter-Governmental Conference should certainly be restricted to a few essential issues in order to avoid lasting longer than the impatient expectations that surround it.

We must therefore be aware of the stakes in the next years, one of the most dramatic moment in the European heritage. Unfortunately Europe is done or is undone while public opinions are withdrawn into themselves, when the very concept of foreign policy seems in a critical phase with the political leadership rapidly changing. An even greater commitment by those who are aware of the stakes is necessary.

Of course our wish is that United Kingdom throw the weight of its great tradition behind the emergence in our continent of an order that guarantees new levels of peace, stability and well-being. The Italian Government has clearly stated the line of its strategy, the points that it deems crucial, but hopes that as to many of them Italy and the United Kingdom may work together.

There are certainly deep differences in our approach towards Europe. But there are also meaningful similar attitudes upon which to build together. Both of us want Europe nearer to the most direct interests of our citizens that enrich their daily life.

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We both distrust the excess of bureaucracy, we both believe in the market. And the single market has been a British contribution to the European construction certainly of no lesser importance than the contribution from the social traditions of Europe.

Many of us in this room, and I among them, have spent a major part of their professional lives during the last years in the continuous effort to adapt the institutions of our economy (from regional policy to public enterprises to financial markets) to the rules of the single market; confident of going in the right direction in a remarkable effort where the cost of the changes is immediately measurable while many of the benefits are only to be hoped for.

We, Italy and the United Kingdom, believe that Europe should not withdraw into itself but should be open to external competition, and that we can not remain deaf to the voices that ask us to enlarge Europe beyond its current borders. We, Italy and the United Kingdom, both believe that Europe must be an indispensable actor on the international stage, giving to our intervention capacity a stronger authority and collective capabilities. We are finally persuaded that Europe should not, in this search for a new identity, dissipate the rich heritage of the relationship with our major ally and its most visible expression: the Atlantic Alliance.

Differences notwithstanding, there are the bases to go a long way together. We are deeply convinced that Europe cannot and must not be built without the British contribution.

