

Speech by the President of the European Council, Federal Chancellor Wolfgang Schäussel

European Parliament, Strasbourg 18 January 2006

Presentation of the Austrian Presidency's programme

Ladies and gentlemen,

It is an honour and a pleasure for me to address the European Parliament. This Parliament is the product of an historic election. For the first time, 25 countries freely entered an election and chose their representatives. This Chamber represents the *Populus Europaeus*. This Parliament illustrates Europe's strength, its diversity, its ideas and experiences, its history and its histories, and its hope. The sound of Europe is not a solo instrument but an orchestra, like this Parliament. Europe is not monochrome but multicoloured, as is the logo of the Austrian Presidency. Its strength lies in diversity, the different identities making up the European identity. No country has lost, all countries have benefited from their accession to the Union. We have gained freedom, peace, security and opportunities to prosper.

Yet if everything is so marvellous - whence this noticeable scepticism on the part of many of its citizens? A precise analysis is needed to answer the question: the high points of 2004 were followed by a difficult phase in 2005. The negative results of the two constitutional referenda in France and the Netherlands, the arduous tug-of-war over the Financial Perspective, the terrorist attacks in some EU capitals and people's growing concern regarding further EU enlargement engendered a lack of confidence between the populations and the EU institutions.

It is precisely at this point that the Austrian Presidency wishes to make a start: at the end of the Presidency, public confidence in the EU, the mutual trust among Member States and their confidence in the Union and the trust among the institutions is to grow again. For this to happen, however, we need clarity regarding the important issues that exercise people.

The famous Austrian quantum physicist Anton Zeilinger drew my attention to an aspect of physics that I find very exciting: "The question is of the utmost importance. In quantum physics it is considerably more important than in daily life. Yet here too, it is the nature of the question that determines the quality of the reality." First of all, we must ask the right questions. These questions must be honest, and we must also be aware of the unpleasant aspects of many questions and not shy away from them. We cannot expect always to have the right answers immediately, and we must guard against quick shortcuts. That means listening. Europe must use and Europe must protect.

When we embarked on the Presidency at the beginning of 2006, the year opened with the traditional New Year concert in Vienna. The moment the Latvian conductor Maris Janssons took up the baton, the Russians cut gas supplies, first by 30% then by 50%. Federal Minister Martin Bartenstein then had the task of joining with the Ukrainian, Russian and European partners to find solutions. This showed us that more had to be done at European level to resolve a hitherto purely national issue such as energy supply. A greater European dimension is needed here.

Reducing dependence on one supplier, diversification, accumulating stocks and security of energy networks requires us to adopt a long-term perspective and not to strive for short-term gain. Long-term solutions for Europe are the only possible answer. But it is also a question of alternatives. Each country should be able to choose its energy sources. We in Austria have opted for nuclear freedom as our solution and we shall abide by it. Each country must be able to keep its freedom to choose. However, we need European security standards, more investment in renewable energy and we must make full use of all possibilities that are important for us and the environment.

Security of energy supply will be an important topic for the spring summit. Here I would also thank the UK Presidency, which raised the issue at its informal summit at Hampton Court. We shall also work very closely with the Commission in this regard.

Avian influenza or the efforts to prevent Iran acquiring nuclear armaments are other topics: in these areas only a greater European dimension and European solidarity on the world stage can help.

Growth and jobs are the central issue for the forthcoming spring summit: the absence of employment prospects will increase the unease felt about Europe by citizens. Many feel that Europe is doing too little in this area.

The Member States have now presented their 25 reform programmes for greater growth and employment, which the Commission will now evaluate. We wish to achieve a mixture: verifiable voluntary commitment on the part of the 25 Member States, plus Commission recommendations, to enable us to move to a concrete implementation phase and achieve visible results. However, we must be clear about one thing: no politician can promise employment. That is dishonest. Nevertheless, we can create the right framework conditions for success. An EU budget of 1,045% of GNP does not enable us to create jobs, but we can set an example, we can establish voluntary commitments, we can place new topics on the European agenda.

The central issue is the promotion of small and medium-sized enterprises: the SMEs have long complained of having too little access, too little information and too little capital. They are, if anything, the only real engine for job creation in Europe, they are the generators. They are a sleeping giant. We must awaken this sleeping giant. The SMEs need better access to capital, to research and development and to funds from regional aid and structural programmes. The Better Regulation project also has an important role to play here in reducing red tape for the SMEs.

The European social partners provide Europe with a further major source of energy. On the basis of Austria's experience, I can assure you that democracy and market economy only function with social partners who are free, strong and independent. Of course, you can't do without discussions; not in a democracy. Indeed, a free discussion often gives a debate a real boost. At this juncture I would like to invite the European social partners to take part in the debates I mentioned. I have already had constructive talks with the ETUC and UNICE.

As far as the services Directive is concerned: the European Parliament has been discussing it for several months now. With over 1 000 requests for amendments, you can imagine just how difficult it is to combine the opening of such a large share of the market with the necessary safeguards. I am in favour of a determined fight against social dumping and for the protection of public services. A balance must be found between opening the market and protection. In this battle, I would like to have the social partners on our side.

However, the key to everything is sufficient growth. The spring summit must therefore focus primarily on impulses to stimulate growth. Even the expansion of the EU, if done properly, can increase growth. If we can achieve 3 % growth with 1 % growth in employment, we can halve the current number of unemployed persons in Europe - 19 million - within five years. If we also raise the level of qualifications and achieve greater flexibility, we can achieve this goal. Besides, in the global competition with the USA, Japan and China we cannot afford to do otherwise.

The financial perspective is a very important subject for the Commission, the Council and the European Parliament. We seek and need your cooperation in the European Parliament. The financial perspective, which covers seven years, provides security and makes it possible to plan ahead. I know that many people within the EP are not satisfied with the outcome of the Council, which was achieved with considerable difficulty. But I would also say that anyone who wants more research, for example, must look to the national budgets. If we achieved the goal which was set, of 3% of the national budget of each Member State for expenditure on research, an additional EUR 300 billion would be available for research. I want to be clear: we will reach our limits if we keep imposing new tasks on our national budgets. If we carry on like this, the present financial perspective could be our last.

I am now going to say something that not all of you will agree with: Europe needs more self-financing. We cannot continue to carve everything that we need for Europe out of the national budgets. It could end in that uncomfortable tension between net payers and net recipients. Greater self-financing is maybe not popular, but necessary. The President of the Commission, Mr Barroso, also takes a similar view. The Commission must put all of these aspects on the table in its 2008/9 review. We cannot have a situation where short-term financial speculation is entirely exempt from taxation, or where air or ship transport are entirely exempt from taxation. I would ask the Commission to include these topics in its review. I would also ask the European Parliament to back me up: those who want a strong Europe cannot shy away from this subject.

The Commissioner for External Relations, Ms Benita Ferrero-Waldner, and Javier Solana often have to go cap in hand collecting money for the highly urgent tasks which Europe has to carry out in the world, because we lack the courage to discuss these matters honestly.

The new Europe also needs a new sense of unity among the institutions. The ongoing bickering between the institutions makes no sense. We are all in the same boat and have to row in the same direction. I subscribe to the words: Not head-to-head confrontation, but hand-in-hand cooperation. We also have to listen when citizens complain of waste and abuse. We need to have an independent control and increased transparency when the Council acts as legislator. The allocation of subsidies could also be made public. After all, we are handing out European tax money.

We have to listen to people when they ask: what about social protection? Social cohesion? Protecting the vulnerable members of society? Jacques Delors made an important statement: "Finding a balance between the market and social policy means recognising social issues as a development factor and not as a by-product of the market economy".

We also need to have the discussion on the European Constitution by the June summit. We have been asked to hold a debate during a period of reflection, together with the Commission, the European Parliament, the national parliaments and, of course, the general public. Your Constitutional Affairs Committee has drawn up a very good and balanced decision, which I am taking very seriously. This discussion must not be an elite discussion. European citizens desperately want to be involved. It is not just about a text. It is about a great deal more: our identity, what unites us, what keeps us together? It is also about distributing tasks in a fair way: what should Europe be able to do, and what must she be able to do? The people who want to solve the major issues must have their hands free to take the initiative. The much-used concept of subsidiarity comes into play here: Europe must hand over the small tasks so that her hands are free for the big tasks.

It is also about Europe's borders, the limits which are the criteria for her expansion. These borders cannot be drawn by surveyors and geographers, it is a political issue. It is also about Europe's visibility in the world and within Europe itself. Europe should not only meet in Brussels and Strasbourg, but also at her borders. As the current Presidency we have seen how interesting it is for the citizens to see and understand that Europe is going out and about and is a tangible entity.

It is also about the European way of life. I have never understood why the USA can boast about the American way of life, while we Europeans never have the confidence to refer to our own way of life with pride: peace, democracy and solidarity are not self-evident and come at a price.

By June we want to present a Roadmap and wholeheartedly welcome controversial contributions to the debate. Martin Buber said: "All men are called to achieve something in the world". It is also particularly true of Europe. Europe is team work. We are building on the foundations laid by the British and will chair together with the Finns. We want to be a reliable partner for the European Parliament and the Commission and are hoping that you will support us. Thank you very much and good luck!