

Speech

by

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European Commissioner

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Ladies and Gentlemen,

Before I say anything let me express my wish to be allowed to speak as "a citizen Hübner". I have rather rarely such an opportunity.

I would like to thank the Discussion Forum: Germany and Poland in Europe "European Eastern Policies" organisers and particularly Professor Michalski for the invitation to Berlin. It is always fascinating to come to this city, the city that for far too long used to be a symbol of divided Europe. And today it is surely one of the most exciting and attractive cities of Europe.

I was in Berlin a week ago to celebrate with others an important European birthday and I could sense it. We meet tonight a week after this successful meeting of European leaders marking the 50<sup>th</sup> anniversary of European integration.

I have been asked to talk about the Eastern Policies of the European Union this evening in the middle of the German Presidency of the European Union. Let me say on a more personal note that in Poland we remember the last two German Presidencies particularly fondly.

The 1994 Essen European Council initiated the Pre-Accession policy of the Union, which put us clearly on the road to full membership. The 1999 Berlin European Council approved the medium-term financial framework for the period 2000-2006 (Berlin Agenda) which opened the way to a successful conclusion to accession negotiations.

But Germany also helped us on the road to accession outside its own Presidencies. I remember how Chancellor Kohl pushed the Union to seriously prepare for 'Eastern Enlargement' at the Madrid European Council in 1995 and the help we received from Chancellor Schröder at the Copenhagen Summit in 2002, at which our accession was agreed.

Of course had we been discussing this conference's subject of Eastern Policies during the last two German Presidencies we would probably have talked about what to do with Poland! Germany has indeed contributed greatly to the fact that today Eastern Policy of the Union refers to relations with countries east of the River Bug.

We all expect the current German Presidency to be at least as productive as those previous ones. I am particularly hopeful that we make great strides in moving towards a conclusion on the Constitutional debate. But I also expect the German Presidency to make progress in enhancing the relations between the Union and our neighbours in the east. Geography and history of course both explain why we expect more from Germany than from other member states and indeed why progress in these fields is of particular importance to Poland.

In spite of the title of this meeting, as a citizen Hübner I have to disappoint you and say that the European Union does not have an Eastern Policy. Many people have thought and written about an EU Eastern Policy but we have chosen to deal with all the neighbours of the Union in the framework of the new European Neighbourhood Policy. It is perhaps better therefore to talk about the Union's policy towards the countries of Eastern Europe rather than about Eastern Policy.

European Neighbourhood Policy, as it is generally referred to, encompasses the countries neighbouring the Union to the south as well as the countries of Eastern Europe. The one major neighbour which is not part of European Neighbourhood Policy is of course Russia. It does not come as a surprise to anybody that for the EU it is vital that these neighbouring countries enjoy peace, stability and prosperity, while sharing the EU's fundamental values. EU is a grand undertaking but at the same time Europe is small and its many internal challenges can be better addressed on a pan-European basis. The surest way to achieve this is for the EU to

encourage the integration of the neighbouring countries through deep political dialogue, regulatory alignment, liberal trade regimes, people-to people contact and financial assistance.

The framework of European Neighbourhood Policy offers all of these benefits, which are of great significance to the countries involved. However we must be honest and say that the benefits of a successful policy accrue also to the Union. We seem to live on a small island of peace and stability in a very troubled world. Enlarging this island must be high on our list of priorities.

The European Neighbourhood Policy is a difficult policy. On the one hand, it is designed in such a way that it elegantly prevents the neighbouring countries from demanding promises of membership. At the same time in response to a rather reluctant attitude to the enlargement among the European public it offers a reassurance that the Union will not go on enlarging indefinitely. Europe finds itself in an enlargement impasse, and even if the door is not shut, the next enlargement will not happen tomorrow or the day after. The Neighbourhood Policy offers a process of integration without prejudging membership even though membership is not ruled out.

Of course the fact that the European Neighbourhood Policy does not offer membership vastly diminishes its attractiveness as a carrot and its efficiency as a stick. It however too easily assumes that EU neighbours will adapt to EU rules like candidate countries have been doing – and we all know that in the latter case the real and near prospect of accession was a pivotal motivation. Without

this prospect, strong additional incentives are needed or EU will have little influence in the neighbourhood. Certainly among those incentives different factors could play a role, including: deeper trade relations, gradually increasing participation in the single market, liberalisation of movement of people, or selective participation in Union's foreign policy.

Today the main tool of the Neighbourhood Policy is the Action Plan. The Action Plans are bilateral programmes between the Union and the country concerned. This underlines that while the European Neighbourhood Policy provides the framework for policy, policy action is a bilateral matter.

Differentiation between the partners in the European Neighbourhood Policy to some extent corrects the view that this policy confuses important issues because it deals with such distinct countries. It is surely true that Ukraine and Morocco have very little in common, apart from being neighbours of the Union. But through the 'national' Action Plans, one can say that the special needs of each participating country can be taken into consideration.

There is of course one major difference between the countries in the South and those in Eastern Europe. That is that, while the latter are European countries and covered by Article 49 of the Treaty which says roughly that any European democracy is eligible to membership, the countries to the South are not considered to have any perspective of acceding one day to the Union.

So even if the Union does not want to consider the accession of the Eastern European Neighbourhood Policy countries at present, it cannot be ruled out in the longer term. The distinction does however affect policy both in the countries concerned and in the Union. Eastern European countries, which can hope one day to accede to the Union, plan their policies with that long-term objective in mind. On the other hand the partners in the Middle East and North Africa can plan without this future constraint.

While Action Plans and the European Neighbourhood and Partnership Instrument are important, they do not form a contractual base for the relations between the EU and East European Countries. The contractual base is still the Cooperation and Partnership Agreements, which were negotiated in the mid-nineteen-nineties. The agreements with Ukraine and Russia are reaching their tenth anniversary, after which they will be rolled over on an annual basis. In both cases all sides believe that negotiating new and more promising agreements is the more appropriate way forward.

While as you know there are certain problems with the Russian agreement, the first negotiating session with the Ukrainian Government took place in early March. The European Union would like to negotiate what has been called an 'enhanced agreement' as the Ukrainians do not wish to be labelled "neighbours". There is no doubt that the new agreement will include deep trade area and go above and beyond Partnership and Cooperation Agreement on many other issues.

But it is interesting to note that the southern members of European Neighbourhood Policy already have negotiated association agreements with the Union. These agreements promise a far deeper level of integration than the Partnership and Cooperation Agreement. I can imagine that the new agreements can rectify this imbalance in the European Neighbourhood Policy but can also develop specific bilateral elements which are considered important.

I think we all hope that both of these new agreements to replace the Partnership and Cooperation Agreements with Ukraine and Russia will make considerable progress this year and will set the relationships with these countries on a more positive footing. I also hope that they will provide for a better balance between obligations and incentives.

And of course if we move towards increasingly differentiated European Neighbourhood Policy agreements, this could lead to what Charles Grant has named some months ago – blurred boundaries of Europe with neighbouring countries taking part in an increasing number of EU policies without being full members, boundaries between membership and non membership will become more blurred. Nevertheless in my view this approach of differentiated selective participation in Union's policies would not undermine the current logic of the policy vis-à-vis eastern neighbours. What we certainly need is a more efficient Eastern European Neighbourhood Policy. Expanding the participation in different policies could make this policy more efficient in steering

our neighbours towards political stability, good governance and socio-economic prosperity.

The idea of integrating our neighbours into European energy markets and transport networks goes exactly in this direction. Also the Commission has already proposed a scheme to offer a deep free trade, which implies abandoning not only tariffs but also some non-tariff barriers. So why not going further and offer partnership in Union's foreign policy on issues of common interest? This would probably mean bigger table in some Council meetings, disliked by supporters of the return to cosy small rooms and tables.

In any case what is today EUs' intention is a "membership neutral" European Neighbourhood Policy for our eastern neighbours. The question is whether this approach can, at the end of the day, lead those countries to the realisation that as membership is not on the table, other ways of coming closer to the Union can be accepted by them or the contrary will happen – the choice of non-European option, as a result of non fulfilled aspirations fatigue. I leave this question open.

Of course, when reflecting on the eastern dimension of the European Neighbourhood Policy it is impossible not to notice the Russian question. Some Russians see the EU efforts to strengthen its Eastern Policy as not "Russian neutral", rather as an effort to weaken Russia's influence in the region.

We face here a certain paradox. On the one hand we have the Russia's perception of the EU efforts as aiming at grabbing and

swallowing its eastern neighbours. On the other hand, the EU intention (with exclusion of Poland and maybe one or two Baltic States) seems to be rather the opposite – avoiding commitment to membership. I am afraid it is our eastern neighbours who pay for these disparities in perception of intentions.

Now, let me say a few words on the Poland – Germany dimension of Eastern Policy. The Union's relations with Eastern Europe are crucial to both Germany and Poland and it is vital that these two Member States have converging views on relations with our neighbours. Of course history, geography and economics makes this often difficult. However there is enough common ground on certain crucial elements, which would be also shared by other Member States of the Union.

Nobody doubts that we should do everything to help our eastern neighbours achieve stability. And we also agree that stability is determined by a number of variables, important amongst which are the existence of a working democracy, the rule of law and protection of minority rights, but also economic development providing employment for the citizens.

Poland and Germany and the whole European Union agree that these conditions do not exist in Belarus, which is why certain sanctions have been applied to the regime in Minsk. On the other hand both countries have been very supportive of improving relations with Ukraine, Moldova and the Caucasus Republics, although there may be some differences about the quality of future relations.

It is of course in relations with Russia where major problems in achieving some sort of common approach appeared. But here it was not only the German-Polish differences which were preventing the Union speaking with one voice to Russia; also other Member States appeared to have their own particular policies. The result was of course that the Union's bargaining position with Russia was weakened. Let me say with some bitterness that when Russia was weak the Member States appeared united in the belief that Union values should be applied in Russia before the Union could develop close and meaningful relations. When Russia re-emerged as a major power with large energy muscles, for some Member States these values appeared less relevant.

The positive change came around Lahti summit when President Putin faced a somewhat more united Union. Since then major progress has been made and I firmly believe that it is essential to continue to work out common positions amongst our Member States on our approach to Russia, not to mention money, and other key subjects which divide us. We will never regain wide popular support with our citizens if we are not united to some degree on key foreign policy issues. This area attracts more public attention than ever before. And as important, we will not be able to influence world politics if we are divided.

Improving our relations with the countries of Eastern Europe and indeed Central Asia must be a priority for the Union, difficult as these relations may turn out to be. But let me conclude with a

word on even more important aspects of relations between Poland and Germany.

For me the improvement in relations between Germany and Poland which occurred in the nineteen-nineties was one of the most promising changes in post-Communist Europe. People from both countries began to travel to the other, friendships were made, and common experiences were recounted. In the economy new investments from Germany created jobs in Poland, Poland imported investment and consumer goods creating jobs in Germany and Polish workers helped staff the German economy. Cooperation on the political level also developed. On the ground numerous projects along our joint border brought together citizens of both countries. Professor Gesine Schwan can testify how important this has been.

There will of course always be problems between neighbours. But both countries and the Union will lose if a major effort is not undertaken to make this relationship flourish. And of course the policy which stands to lose most from deteriorating Polish-German relations is the Union's relationship with Eastern Europe, where our two countries should be the key players. This is their responsibility.

Thank you