

Address given by George Vassiliou at the College of Europe (Bruges, 17 April 2002)

Caption: On 17 April 2002, George Vassiliou, former President of the Republic of Cyprus and Chief Negotiator for the island's accession to the European Union (EU), delivers an address on the political and economic implications of his country's accession to the EU.

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European Union Enlargement And Cyprus: Political And Economic Implications

Mr. Rector,

Dear Professors,
Dear Students,
Ladies and gentlemen,

It is a great honour and pleasure for me to be the first Cypriot to address the College of Europe. In the fifty years of your existence, the College has come to be identified with the idea of the United Europe. Thousands of students have passed through your gates. They are all today in Brussels, in their national capitals or other towns around Europe, contributing to implementing the idea of a United Europe. Proving with their everyday's activities, that together we can achieve much more, than each one of us separately. Making sure that the ideals of peace, security, justice, equality prevail everywhere in Europe. Preparing the ground for the European Union to embrace the whole of Europe's continent. I know that many Cypriots have been privileged to attend your courses and are already helping us in our effort to harmonise with the *acquis communautaire*. I would like to thank you for all the help you have given and are continuing giving us and the rest of Europe.

We, Cypriots, are enthusiastic Europeans and particularly these days we all feel a sense of excitement as we sense that the day of accession to the Union is approaching. Enlargement is undoubtedly by far the most important task facing the Union today. It is indeed a fact that from the day of its conception, the European Union has been continuously on the move. From the early modest beginnings of the coal and steel community to the Treaty of Rome and, subsequently, to the European single market and the Economic and Monetary Union. The Union's members gradually increased from the original six to the current fifteen with the prospect of reaching 25 in the next few years and well over thirty a few years later.

If we think back where we were only fifty years ago, we can also appreciate the greatness of the achievements of Jean Monnet and his collaborators. They were determined never to see again a repetition of the franco german rivalry. They knew that this could be achieved only gradually and by creating new institutions. "Europe, Jean Monnet said, would not be conjured up by a stroke, not by an overall design. It must be achieved by concrete achievements, generating an active community of interest." This is exactly what happened and what is going on all the time. Underlying these ideas, was the basic conception of Monnet, that to solve the German problem, you had to change the context. Thus the concept of the European Union was born and took roots.

This is the main other reason why we, Cypriots, want to join the Union. We have been stuck with the Cyprus problem for many many years now. All efforts to address the various inter communal problems, before 1974 and reunite the island after the invasion, failed. Probably we would have had no chance of succeeding, irrespective of how many meetings were to take place as long as the context remained the same. The European Union is this new context. Within the European Union we are convinced we can succeed in reuniting our island in ensuring that Greek Cypriots and Turkish Cypriots can live together without fearing each other, knowing that there is a common bright peaceful future ahead for all of them.

Permit me to illustrate what I have just said and explain why I am convinced that the accession of a united Cyprus to the Union is a unique historical opportunity and will prove highly beneficial for all Cypriots, Greece, Turkey, the European Union and NATO.

First of all let me start by pointing out that any agreement reached between the two communities will be embodied in the Accession Treaty. This, in itself, will be the best possible guarantee for all Cypriots as it is well known that once the Treaty has been signed and ratified there is no power that can change it. Hence, the worries, particularly of the Turkish Cypriots, expressed on several occasions that the Greek side will not stick to any agreement, that it will take advantage whenever the opportunity arises have no base whatsoever.

Nobody, but really nobody, can try to contravene the Treaty of Accession.

Protection of human rights, solidarity and real convergence, are major principles of the European Union. In the Union all individuals and all communities, small or large, not only feel but they are equal. Their rights are guaranteed by the various EU institutions and by the European Union's Court of Justice, which makes sure that anybody who tries to contravene them is quickly called to order. Discrimination against individuals and particularly against a group of individuals or a community is unimaginable within the frame of the Union.

The *acquis communautaire*, as it is well known, regulates a wide range of activities, which previously were the responsibility of the national governments. Environment, setting of standards, protection against pollution in various forms, help of the small and medium enterprises, fair trade, competition and implementation of the rules of the single market, agricultural policy, etc., are all issues that are being decided and regulated upon in Brussels. Nobody can claim that this was done to the benefit of x or y country. Furthermore, any decisions for future action again will have to be taken democratically by all countries involved. Positions supported by Cyprus will have to be agreed by both communities, like in the case of Belgium. Once a decision is taken, however, it has to be implemented by all without exception.

The principles of economic and social cohesion, balanced regional development, solidarity and support for those that are in a weaker position, are major cornerstones of the European Union. Turkish Cypriots will benefit greatly from these principles, as it is well known that currently the standard of living of Turkish Cypriots is hardly 1/3 of that of the Greek Cypriots. This is why, between others, the Union has already expressed its intention, in case of a solution, to provide a special assistance of 206 million Euros between 2004 and 2006 and possibly another 70 million or more for 2003. Personally, I am convinced that in a very short period after the reunification of the island, the differences that now exist in the standards and conditions of living between the two communities will quickly disappear.

One of the characteristics of the Union that is of particular importance to Cypriots, and especially Turkish Cypriots, lies in the principle of subsidiarity. The principle that the Union should not regulate issues that can be regulated at local level. It is well known that this principle of subsidiarity is being strengthened and it is foreseen that after the Inter Governmental Conference that is currently being prepared, the competencies of national governments and local authorities will be enhanced. The distinction between subjects that will be dealt with by the Union at a national or a sub national level will be clarified.

In this respect, however, what is more important is that European citizens have learned to be loyal both to their local and pan european institutions. A Belgian citizen, for example, knows that he has to obey the rules and be proud of belonging to the Walloon, Flammand or German community, but he is also proud to be Belgian and a citizen of the European Union. This multiple level of belonging and allegiance is extremely important for Cypriots, where as we all know, both Turkish Cypriots and Greek Cypriots are proud of their origin and want to protect their national characteristics. At the same time, however, we will be able to benefit from being citizens of a reunited Cyprus, which will be a full and active member of the European Union.

Cyprus will also be an active member of the European Monetary Union. The Cyprus pound has been unilaterally pegged to the ECU since 1992 and hopefully will be accepted as member of the EMU, soon after accession. The Cyprus pound will be replaced by the Euro and the fears expressed by Mr. Denktash and other Turkish Cypriots, that Greek Cypriots can use their economic power to the detriment of the Turkish Cypriot community will be without substance. Monetary policy is decided upon in Frankfurt where the interest of the Union as a whole and certainly not of one country, particularly of a small country like Cyprus, determines the policies to be followed.

I hope I have given you enough examples to demonstrate why it is in the interest of all Cypriots, Greek and Turkish Cypriots alike, to enter the Union with the Cyprus problem solved, and that belonging to the Union will be the best guarantee for the continuous well being and development of both communities. The solution of the Cyprus problem now will benefit greatly many others as well.

Turkey has much to gain. To defend the status quo it spends annually about \$300 million in addition to the huge defense expenditure required to maintain about 40,000 troops on the island. Furthermore, this long standing dispute is poisoning Greek Turkish relations and Turkey has much to lose in case the talks fail.

Greece knows that solution of the Cyprus problem will clear the ground for a solution of all other Greek Turkish disputes and it will thus be freed to play a much more important role in the Balkans.

NATO obviously has much to gain from the solution of one of its most difficult problems in its southeastern flank.

Finally a solution will be most welcome by the European Union and its member states, as a reunited Cyprus will join without the danger of future upheavals looming in the air.

It is well known that Turkey and Mr. Denktash have repeatedly expressed the opinion that Cyprus should not join prior to a solution. The answer to this unilateral demand was given in 1999, by the Helsinki Summit Resolution, which clearly stated:

"The European Council underlines that a political settlement will facilitate the accession of Cyprus to the European Union. If no settlement has been reached by the completion of accession negotiations, the Council's decision on accession will be made without the above being a precondition. In this the Council will take account of all relevant factors."

Now, as it has been repeatedly pointed out by both President Prodi and Commissioner Verheugen, there is a window opportunity up to the end of June and it is to the advantage of all and particularly of Turkish Cypriots to grasp this opportunity and agree to a solution. I would prefer not to speculate that this will not happen as the advantages of a solution prior to the accession are so obvious. However, I want to point out that even in the possibility that this does not occur, we will always be ready to reach a solution within the parameters of the UN resolutions and the EU realities.

Permit me now to deal briefly with why, I believe Cyprus's accession will be beneficial to Cypriots and citizens of the European Union alike.

You may justifiably ask why would the European Union want to enlarge to Cyprus? Of course we have no illusions. We know that Cyprus is a small island, only 10,000 square kilometers and with a total population of 750,000 people. However, it happens to occupy an extremely important geo strategic position. At the cross roads between Europe and the Middle East, Europe and Central Asia. Cyprus will become the external border of the EU in the Eastern Mediterranean, which will thus be able to combat, even more effectively, illegal immigration, drug trafficking and money laundering. The enlargement of the Union to Cyprus will confirm the European Union as a Mediterranean power covering the whole region. And this will have very important repercussions in promoting stability and helping a solution of the various conflicts in our neighbourhood.

This perspective of the presence of Europe in one of the most crucial areas of the world, particularly in today's conditions of crisis in the Israel Palestine relations, would in itself be sufficient to justify the EU's enlargement. With Cyprus and Malta members of the Union it will be that much easier to promote stability in the whole Mediterranean, to implement the Euro Mediterranean policies and help bring lasting peace to the Arab Israeli conflict and the Middle East at large.

In addition to the political and geo strategic implications there are of course economic implications as well. Cyprus has a vibrant economy growing at 4% 5% per annum, with no inflation and practically no unemployment facing a shortage of labour. More than 55% of the imports originate from the European Union. Furthermore, when Cyprus joins, the Union will have the biggest maritime fleet in the world as we have the 6th biggest commercial fleet. This will strengthen the Union's ability to seriously influence the deliberations and decisions of the International Maritime Organisation.

For Cyprus, by far the most important consideration is that accession to the Union will bring a new feeling of security and stability after so many years of tensions and anxieties about the future. You may be surprised, but everything that we achieved in the last thirty years, was as a result of our efforts with practically no foreign direct investment. The lack of a solution of the Cyprus problem and latent insecurity were undoubtedly influencing foreign investors when deciding where to invest their money. Once in the Union, we believe Cyprus has every chance to become a service centre for the whole region, to develop a new high tech sector and become also a health and education centre for the whole of the Eastern Mediterranean. Accession will open new horizons for young people and provide the boost for even faster future development.

The future of Europe:

We look forward to joining the European Union with the first wave of enlargement in January 2004. It is therefore, natural to be interested as to how Europe will develop and wish to contribute even with our limited means towards addressing the many challenges that are facing Europe today. It is a great advantage that current members and candidate countries have common objectives. We all want to belong to a stable, prosperous and strong Union. We desire a democratically governed Union but also an efficiently run one. The world needs more than ever a strong and peaceful Europe, which, between others, is indispensable for the existence of a true multipolarity. A Europe, the voice of which, is listened to and taken seriously into account anywhere in the world. The tragedy that we now live through in Israel and Palestine is the best possible illustration of the need for a unified and strong Europe.

Finally, as President Giscard d'Estaing referred to in his introductory speech to the Convention "there is the need for compatibility between the desire to be part of a strong European Union and to remain solidly rooted in national, political, social and cultural life". These are our common objectives. Since we agree on the objectives, it should be possible to come to an agreement on the means by which to achieve those objectives. In practice this is easy to say but difficult to implement. Many concrete suggestions are needed. Permit me to briefly present some of my ideas.

First of all, Europe needs a Constitution. It is high time to unite all the treaties and any additional clauses the IGC of 2004 will arrive at, into a coherent and easy to understand text. A constitution, even if it does not contain new ideas will still be a very significant step towards a unified and efficient Europe.

The role of the European Parliament will need to be strengthened and new close relations to be developed between the national and the European Parliament.

*The alienation of the public, particularly in some countries, is closely related to the fact that there is a sense that decisions are taken somewhere, far away from them, without their opinions being considered seriously. The role therefore of the national parliaments, particularly, in the adoption of new *acquis* has to be enhanced. On issues that are of a vital character and not technical it would be good to engage in in depth discussions in the various countries before the national governments formulate their final positions to present and support in the Council.*

The Presidency has to be reformed. With 25 member countries, an alternate Presidency every six months is not something one can look forward to without apprehension. The alternative would have to be a collective Presidency of three to four members (1 large and 2 3 smaller countries) for a longer period of not less than 12 months.

The Council needs to revert to its original role of deciding on matters of principle and giving general directions to the Commission and not to be involved with nitty gritty issues. Also the relatively recent habit of referring to the Council all issues of disagreement between member states must be abandoned.

The Union needs to acquire a more important and persuasive role in world affairs. Towards this objective the Foreign and Security Policy Secretariat and the Council's Secretary General must be given greater

powers. The unanimity rule must be abandoned and QMV extended to Foreign Policy as well. Furthermore, serious consideration should be given to the EU securing a permanent seat in the U.N. Security Council.

The veto rights of member countries have to be curtailed significantly and QMV extended to practically all subjects. In this respect the Nice Treaty provision for a double majority of countries and people is possibly the most democratic of all other options. For somebody coming from a small country like Cyprus, this may sound unnatural, but we have a vested interest in seeing Europe get stronger and more efficient and we trust therefore decisions that will be taken democratically.

We need a stronger and more efficient Commission. A Commission that could take decisions quickly without being hampered by bureaucracy and excessive sub division of its services. We understand that according to the results of Nice every country will be entitled to one Commissioner at the beginning. In the not distant future, however, we may end up in having a smaller number of Commissioners than countries. There are, however, several ways by which one can address these problems and ensure both the efficiency on the one hand and the desire and need for participation on the other. Solutions should be found, which would maintain the equal participation of member countries.

I also believe the future President of the Commission should be elected by the European Parliament, not appointed by the Council. In order to preserve the role of the Council one could imagine a selection process within the Council and submission to the Parliament of 2-3 candidates for election. I do not think, however, that it would be a good idea to proceed to the direct election of the President by the people as such a move would alter dramatically the relationship between the Council and the Commission.

Finally, I would like to make a suggestion, which is not related to the functioning of the Community, but it is closely related with the position of the EU in the wider world and humanity's perspective. We live in the era of globalisation, which has brought a degree of dynamism to the world economy unparalleled in history. Despite the progress, however, the problems and sufferings remain and globalisation itself is not all milk and honey. Whatever, the progress achieved by the large industrialized countries and some of the new developing ones, the fact remains that two billion people live in dire poverty. That millions of people continue dying because of lack of medicines and malnutrition. That AIDS is ravaging entire populations and threatens many countries in Africa with near extinction. There will never be a secure Europe as long as misery of that level and to that extent can be found around us. The need therefore for addressing the issues of aid to developing countries is much more urgent than ever before. The objective of the EU for all member countries to spend 0.7% of their GDP for development aid is still only a noble dream for most countries. In addition the temptation is always there to mix aid with politics. At the same time the way the Commission handles it is highly bureaucratic and time consuming. A way out could be the creation of an E.U. agency funded directly by the member states. This should not be a new large bureaucratic organisation but a lean strategy formulating body working closely with the EU embassies and outsourcing services.

In this direction, learned institutions like the College of Europe, can greatly contribute by creating the intellectual climate necessary for urgent and consistent actions.

Ladies and Gentlemen,

The European Union has embarked on its longest and most adventurous journey. Within this year it has to complete the most substantial phase of the enlargement to embrace practically the whole continent. At the same time it has to successfully carry out the reorganization of its constituent institutions. Even more important, it has to succeed in getting nearer to its citizens, to close the huge gap between Brussels and Europe inhabitants, while at the same time face the many challenges of the 21st century.

I wish all of us good luck and hard work