

Romano Prodi

**EUROPE:
THE DREAM
AND THE CHOICES**

“United, we can propose a strong political project, we can restore the confidence of those who are worried about the major changes in today’s world, we can engender international action with a human face.

United, we can offer a new response to the crisis of politics and democracy.”

***Europe is a dream, and Europe is a design.
It is a dream of a world that is freer, fairer and more united.
It is the design we want to carry through in practice day by day.
Conscious of our history, we can look at the world in a spirit of openness, and
aspire once again to take a leading role.
For Europe the time to make choices has come.***

1. The challenges of the twenty-first century

There are times in history when peoples are called upon to make decisive choices.

For us in Europe the beginning of the twenty-first century is one of those times.

We have to respond to the powerful shifts that are changing the world and Europe, and facing us with new challenges.

Globalisation

Progress and innovation in transport and communications are bringing about a revolution similar to the one sparked off five hundred years ago by the discovery of America.

The Earth has become both bigger and smaller.

Bigger, because there are no longer any bounds to the movement of goods, people, ideas and images of the world.

And smaller, because everything that happens has implications for the interests or for the conscience of every one of us.

The countries of Europe are too small to be able to guarantee their citizens' safety and welfare by themselves: they have to choose whether to try to hold out in defence of a scale of things that no longer matches the reality of the times, or to pool their forces in the higher, stronger and more competitive unit that is the European Union.

And like our countries, businesses and citizens too have to choose whether to open themselves to the new, or to close in on themselves in defence of the old.

Today, as five centuries ago, the peoples that come through will be those who prove best able to adapt to the new dimensions of the world.

Technological innovation

Technological innovation is transforming our personal and day-to-day lives, challenging systems of production and exchange, and rearranging the relationships and relative strengths of the regions of the world.

Europe is in a position of worrying weakness as compared with the United States, which is at the forefront of innovation, but also with countries such as India and China, which couple low labour costs with a great capacity to make the new technologies their own.

Population trends

In our countries we are living longer and longer, but there are fewer and fewer children, though some very recent figures give hope that the situation may be changing somewhat.

If we do not act in time we are heading for a Europe with a smaller and much older population.

This is a prospect that demands that we rethink all the policies we are pursuing, from family, work, welfare and social security to education, public budgets and immigration.

To offload the problem onto the generations after us, or to confine ourselves to a single aspect, however important, such as the sustainability of social security systems, would be an irresponsible option and a losing strategy.

Environmental degradation

Environmental degradation is quite literally changing the earth under our feet.

We are senselessly using up water, air, land and energy.

We are destroying the beauty of Europe, the fruit of generous nature and centuries of labour and artistic inspiration.

If we do not make the protection of the environment an absolute priority and incorporate “the principles of nature” into every area of policy, we will leave our society irreparably poorer.

Every generation has the moral obligation to leave those that come after the possibility of leading a better life.

Through our lack of interest in the environment we are failing in our human duty.

Democracies withering

It is more and more obvious that our democracies are weary.

They have difficulty resisting the pressures exerted by organised interests; difficulty in preventing the information media from being transformed from tools for monitoring the exercise of power into tools for controlling and dominating political life and the whole of society; difficulty in responding to the demand for participation by men and women who find no way to make their voices heard, and are no longer content with elections at preordained intervals.

The world's north-south divide

In the face of the enduring imbalances between the north and the south of the world, and the appalling living conditions of entire peoples, we cannot remain inert.

This is a question of simple justice.

The individual choice of men, women and whole families to undertake the suffering and danger of emigration, and the growing determination of poor countries to stand up in defence of their trading interests, are sending a message to richer nations and societies that we cannot brush aside.

The strength of Europe

Responding to these great changes is not going to be easy.

But the difficulty of the choices to be made is matched by the scale of the opportunities that are opening up with progress in the sciences and in communication technologies, the liberalisation of trade, and the gradual spread of democracy and freedom throughout the world.

To be able to seize these opportunities we Europeans can count on great strengths.

With a level of international trade almost equal to those of the United States and South-east Asia together, we are already an unparalleled trading power, and with a population approaching 500 million we have a consumer market on the way to being almost double that of the United States.

We have a common currency, the euro, which is establishing itself alongside the dollar on the international financial markets, and a network of small and medium-sized enterprises that the whole world envies.

In industries as different as aerospace and mobile telephones we have shown that we can stand with the best in the world.

In fifty years of building Europe we have acquired the political and institutional experience that has enabled us to enlarge the membership of our Union from six members to 25, and maybe tomorrow to more than 30; the Union is the most successful and extraordinary example of supranational democracy ever.

In our nations, our regions and our cities and towns we have an unequalled wealth of history, culture and tradition.

2. The values we bring

Justice and freedom, justice as freedom

If these are the challenges of the twenty-first century, what vision of Europe do we bring to the task? What are our values?

What sort of society do we want to see tomorrow?

We cannot avoid these questions: the answers will lead us logically to the choices we make.

That is what has happened since the building of Europe began.

The cement that has gradually united our countries and held them together has been the economy; but behind every economic proposal, behind every fresh venture on the economic front, there has been a clear and conscious political inspiration and a sharp choice of values.

In the 1950s, pooling coal and steel meant first and foremost taking away from each individual nation the freedom to manage as it saw fit what were then the essential raw materials for war.

In the 1980s, launching and then gradually implementing the plan for a single market reflected the will to bind the destinies of the countries of Europe indissolubly together.

In the 1990s, after the Berlin Wall came down, the decision to go for a single currency was motivated not by a scheme dreamt up by bankers - I can say this from personal experience - but by a wholly and avowedly political decision to speed up the unification of Europe and render it irreversible.

None of these great decisions would ever have been taken on the basis of purely economic calculation.

From Monnet, Schuman, Adenauer and De Gasperi to Mitterrand and Kohl and down to the present day, the decisive factor has always been eminently political. The mainspring has always been a shared and deeply felt vision of Europe.

After fifty years maturing, Europe has reached a scale and complexity such that we cannot take refuge in one-dimensional projects: can we still formulate a vision of Europe's present and future that is solid enough and strong enough to take us through coherent and substantive choices?

I say we can, because our vision of the present and future of Europe is built on fundamental shared values.

I am speaking of the idea of a just Europe.

By "justice" I mean freedom for everyone and for society as a whole.

Freedom for every man and woman to give the best of themselves, to enjoy the real possibility of building a life of full dignity for themselves and their families, with the greatest fairness possible, to be able to feel that they are an active part of a living community and democracy, to work, to live in a pleasant environment, to be protected against the serious risks that life can bring.

Each of these aspects depends on the others.

The full exercise of political freedom is essential for the proper management of social entitlements and economic opportunities.

The enjoyment of "social goods" such as education, public health, justice and security are necessary to the possibility of economic success.

To live in a society that is actively pursuing policies for the environment and the poorest regions of the world can help, not least among young people, to develop a sense of belonging to the community - something that can by no means be taken for granted.

Justice, seen as the freedom to express one's own humanity, embraces and takes in all aspects of life; it is a value and an objective that has to be understood and pursued in its entirety.

Peace

A free and just Europe, then, is first and foremost a Europe that aspires to peace, or rather a Europe in which there is a right to peace.

War is a concentration of everything that is evil.

After the horrors of the Second World War and the Holocaust, the desire for peace was the first and essential driving force of European unification.

Peace between nations and peoples that had always been at war with one another is the greatest and most extraordinary achievement of the European venture.

Right down to the present day the desire for peace is a vital part of the very idea of Europe, the way of looking at life and at the relations between peoples that we Europeans naturally recognise as our own.

Nobody now would regard it as a realistic possibility that war should break out between France and Germany, or between Italy and Britain.

This does not mean that the question of peace is obsolete.

Quite the reverse, it is the most obvious proof that what has been done in this half century is quite extraordinary. Men and women born after 1945 will be able to say that they have lived all their lives without seeing their own countries and their own families afflicted by war - the first Europeans in history who have been able to do so.

I can remember war, though I was still very young.

And my father before me could remember war, and so could my grandfather, and all the generations before him.

"Never again", said the founding fathers of Europe, and meant it, and so it was.

When calls for peace refer to Europe nowadays, some may feel they sound hollow and rhetorical.

I do not agree.

I do not agree because we can all remember very well the horrors and massacres of the war fought next door in Croatia, Bosnia and Kosovo.

More recently again, with another war, in a land not far from Europe, in Iraq, millions of men and women, and especially young people, realised that their own future was at stake, the future of the society they lived in, and expected to go on living in.

And the streets of our cities, all our streets and all our cities, whatever the attitudes and policies of our different governments, were filled with the rainbow flags of peace.

Democracy

A just Europe is a Europe where everyone has the freedom to exercise their democratic rights fully and genuinely.

Some may think it odd that I should talk of democracy as a value that needs to be reaffirmed in societies like those of Europe, where constitutional government is an established fact.

This would be a mistake.

Democracy is not a prize that can be won outright, once and for all.

It is a delicate plant that has to be tended every day.

Other societies, where inequality tends to be regarded as the natural outcome of individual ability and commitment and the necessary driving force behind growth, may consider social marginalisation unavoidable.

Other societies may tolerate a situation where a large proportion of their citizens are in reality excluded from democratic life.

Europe has other traditions, other values, other ambitions.

The Europe we want needs active citizenship.

It could not exist if it were not founded on a living and vital democracy in which all parts of society can feel they can participate and take responsibility.

Equality

A free Europe constitutes an option for social justice.

If we go back to the founding fathers of Europe - the same names again, Schuman, Adenauer, De Gasperi, and it was no coincidence that they shared the same cultural background and the same Christian faith - we see that one of the distinctive features of the Europe they wanted to build was a high degree of social justice. They, and with them great liberals and humanists such as Altiero Spinelli, wanted a Europe that was able to grow and to create work and prosperity.

That was why they wanted Europe to unite.

They had seen that the union of forces and markets was the right road to development.

But they wanted development to be accompanied by a fairer distribution of resources and opportunities.

Fifty years on, that desire for a fairer society is as valid and relevant as ever.

The economic conditions, and especially the social conditions, that went with the transition from an agricultural society to an industrialised society, and which might therefore have been considered acceptable in those years, are not acceptable in the Europe of today.

But there is a lot to indicate that instead of moving forward with the creation of fairer societies we have moved back.

If we look at figures for the distribution of income within individual countries, we have to acknowledge that inequalities, after falling between 1970 and 1980, have widened again, to a point where at the end of the last decade they were back where they had been 30 years before.

And the picture is even more worrying when we go beyond strictly economic inequalities to look at the whole complex of social conditions, such as schools, health, family, justice and security, that determine the scope we have open to us to make use of our abilities.

When pay scales in companies are pulled apart because top managers are earning astronomical salaries, when people working in the financial sector are paid many times more than those who work in production or, worse still, in research, when the flaunting of wealth is offered to us as a lifestyle to be sought after and imitated, when fathers and mothers can no longer expect to be able to offer their children a life better than the life they have lived themselves, something in the balance of society is not working.

If it does not want to endanger its own future, Europe must repair these rents in the fabric of its own societies.

We reject the very idea of a Europe divided between those who have and know, and those who have not and know not.

The environment

A just Europe is an option for respect and protection of the environment.

The defence of natural resources and more intelligent consumption, and a care for the beauty of the places we live in, are not just an investment in our future and a mark of respect for the generations to come after us.

They are needed now, for a better and healthier life and a fairer and more prosperous society.

Firms will more easily site investments in properly organised and looked-after towns and cities, while well-protected mountains, coasts and seas attract tourism and generate wealth.

Dilapidated, polluted and congested urban centres drive away people and employment; housing estates left to their fate encourage antisocial behaviour.

3. The choices

We know what the challenges are, we clearly understand the values we want to draw inspiration from, now we have to set out the actual policies that are to give form and substance to the Europe we desire.

This means making choices, because we cannot have everything at once: a clean environment and no restrictions on consumers and pollution limits, more state aid and lower taxes, more international influence for Europe and an uncompromising attachment to national foreign and defence policies, better relations with poor countries and less development aid. This is cloud cuckoo land.

Nor is it the case that for every problem there is always one and only one solution, as if values and political orientation counted for nothing.

A word of warning, however. Not all of the answers to the challenges facing Europe can or should come from Brussels.

Whether we are talking about the economy, health or the environment, employment policies, immigration, scientific research or education, the issues concern every level of government - European, national and local.

If we are talking about policies for Europe and if we are sincere and serious in our Europeanism, this is the framework we must bear in mind. The crucial factor is the coherence of the whole, the coherence between the different sectoral policies, between short-term policies and longer-term policies, between the policies adopted by the various authorities and institutions at European, national and regional level.

Democracy and the problems of participation and information

This is a difficult time for our democracies.

One factor that raises doubts about their state of health is the faltering performance of the traditional means of participation.

Obvious signs of this are the low and declining turnout in elections, the apparent gulf between the public and the institutions, the growing inability of the political parties to act as channels for political education and mobilisation, the emergence of organisations that are manifestly populist and xenophobic, the violent protests against the major international institutions.

An indication that the public is searching for new forms of participation and showing new types of political sensitivity can, however, be found in quite different types of phenomena, such as the campaigns for peace, environmental protection and aid for the world's least developed countries, or the extraordinary popularity and ability of certain individuals, like the Pope or the Italian President, to win the hearts and minds of the public. Such personalities are able to convey messages of peace and solidarity with the weak and articulate the sense of national and European unity.

The second phenomenon challenging the very heart of our democracies is the way the various forms of communication media are pervading every aspect of social - and hence political - life.

Because of the constant, direct and pervasive influence of the media (and television in particular) as the principle instrument for controlling the exercise of power by the institutions, the political forces and the individuals empowered to exercise it, they are themselves becoming the principle and direct instrument for winning, exercising and shaping political power. We cannot remain indifferent to such momentous developments.

The response that is needed to this phenomenon - I call it "democracy fatigue" - is the most difficult intellectually and politically because it involves identifying, or else creating, forms of participation and dialogue that are more diffuse, more continuous and better able to bring into the political debate those who at the moment feel excluded. Side by side with the parties, whose job it is to give political representation to collective interests, other activists, social groups, organisations, representative bodies and movements will have to take on the task of collecting and articulating the views, expectations and demands from society.

When it comes to the choices that have to be made in the field of information, identifying the potential means of intervention may be easy enough, but it will be quite another matter to tackle the power of the vested interests involved.

The pluralism of information must be defended at all costs. This is the key. It is no coincidence that this has been the route advocated and demanded by the European Parliament in motions carried by a huge majority. An indication that this is a subject that concerns the defence of the very existence of democracy on a European scale.

Putting women centre stage

We must look particularly closely at the role of women.

If we want a Europe that is more attentive to people's needs and more committed to the defence of freedom we must encourage women to participate more in running our countries.

This will not happen by itself. It demands specific and often controversial choices ranging from providing support for working mothers to ways of facilitating the participation of women in public life.

Growth as the top economic priority

For too long Europe has experienced growing inequality.

If we think this situation is intolerable and if we really want to do something about it we must opt for an effective strategy for economic growth.

Growth in itself will not reduce inequality, but European experience suggests that it is in the years of highest growth, like the period from 1960 to 1980, that we are most successful in reducing inequalities, whereas this occurs to a much lesser degree, or not at all, in years of slow growth, as experienced between 1980 and 2000.

This is not all. If the most obvious and serious inequality and the most intolerable injustice is that suffered by the unemployed, the best medicine must be the one that leads to more robust economic growth and higher employment

The history of united Europe is full of extraordinary success stories; nobody knows this better than the Italians who, thanks to the commitment to Europe made immediately after the war, have seen their country and their own lives change - and change for the better - beyond all recognition.

We have created the conditions for a sound and prosperous Europe. But the benefit we hoped for, the economic growth we wanted in order to create prosperity, employment, work, has not been forthcoming, or at least not entirely. The problem goes deep and cannot be explained solely by accidental factors connected with one or other passing crisis in the world economy.

Growth must become the number one economic priority for Europe. But the cure for our low growth must be based on a proper diagnosis of what is wrong. The problem lies in Europe's inability to adapt its economic system, by which I mean the combined policies, institutions and organisational models of its economy and production, to a world and markets turned upside down by globalisation, technological innovation and ever more open competition.

A world and markets where consumption and production models change extremely rapidly requires an unprecedented ability to adapt and, above all, to innovate.

What is essential is to have structures, institutions, laws and regulations that favour competition and encourage new operators to enter the markets, that promote greater labour mobility within and between firms, more efficient financial markets that are willing to risk investing in innovation, full female participation in the labour market, an immigration policy that does not forget the innovations and scientific expertise that people from far-off countries can contribute.

Education, research and innovation

This places an extraordinary burden on education, whether at pre-school level, which is crucial for ensuring that the aptitude for learning is spread equally, or at university and post-university level and in the field of research.

America is not our only competitor. On the horizon, or rather just around the corner, are India and China, with their numerical superiority, their unbeatable production costs and above all their extraordinary ability to assimilate the latest and most advanced technologies.

We categorically reject any demands for a return to protectionism. This is the wrong solution; it is harmful and impracticable. Europe's only hope is to place itself (once again, one might say) at the forefront of innovation.

If we go to Bologna we can see in the mediaeval hall of the university the coats of arms of the students who came from all over Europe to attend what was one of the leading centres of learning of its age. If we then jump ahead a few centuries and visit the Humboldt University in Berlin we will find an impressive series of portraits of the

teachers, from Max Planck to Albert Einstein, who received a Nobel Prize in the early 20th century for their work in physics, chemistry or biology.

Europe must go back to creating great universities, laboratories, centres of excellence like this, capable of attracting the best minds from all over the world and producing research at the cutting edge of science and innovation.

This is not an easy matter. It requires the courage to adopt strict quality criteria in the choice of investments, to resist the temptation to throw money at the problem indiscriminately and to stand up to pressures to build a new university in every city.

Europe can do a great deal to link research to growth. In fields such as biotechnology, the hydrogen economy linked to the use of renewable energy sources, satellite positioning and observation - to name just a few examples - Europe has the capability, the practical tools for intervention and the financial resources to give a decisive stimulus to the development of ambitious and highly innovative initiatives, if properly targeted and concentrated.

Free markets and competition. But not everything can or should be private

Education and research alone are not enough to put Europe firmly back on the path to growth. And of course growth is not possible in the desert. The starting point must be to ensure the basic conditions for growth.

We must maintain sound public finances and, where necessary put our public finances in order immediately and ensure that they remain sound in the future. This means re-examining and adapting our entire social security systems (starting with pensions) in the light of the increased life expectancy.

We must continue to keep inflation under control because we have learnt by bitter experience that generalised and uncontrolled price rises destroy growth and lead to inequality.

We must safeguard competition, in the knowledge that if it is to be genuinely free the market cannot be left to its own devices. It constantly needs to be defended from those in the world of industry, finance and services or in business and the professions who seek to distort it to serve their own private interests.

After years of "one-way thinking" we should, however, also be prepared to reconsider the boundaries between the free market and the State. We have seen that private enterprise is not the most efficient or best placed to provide a service that serves the public good in every sector.

It is equally important to exploit the full potential of the single market and break down those obstacles that still remain in sectors such as air and rail transport, energy or, crucially, the capital market.

We will not be able to seize the extraordinary opportunities that enlargement offers our companies unless we complete the network of links, particularly by road and rail, between the current EU Member States and make rapid efforts to establish good communications between eastern and western Europe.

The welfare State and protecting the most vulnerable

At the risk of labouring the point, growth has got to become Europe's number one economic priority.

But growth by itself does not make for greater social justice. This requires specific policies and, in particular, specific public policies.

Invented and developed in Europe, the welfare State is for us in Europe a source of great pride, one of the cornerstones of the way we view life and the way people relate to each other and with the authorities.

Nonetheless, this needs to be brought up to date.

Because today we are living much longer. Because, with the changes in today's society, which is now so different from society in the early post-war years, there have also been changes in the needs, expectations and demands of the public, the old and the young, workers and consumers.

Family policies are increasingly ill-suited to the real state of affairs, which is characterised by an increase in the number of single-parent families, the ever-increasing ranks of old people on their own and without relatives to support them, of women for whom the cost of work is accepting or choosing to have only one child or none at all.

The secondary and vocational education that used to be the basis for entering the world of work in the Europe of mass industrialisation is no longer sufficient in today's economy of services and new technologies.

Even our universities, in the way they are organised and designed, are to a large extent proving incapable of providing job opportunities suited to the investment put in by the students and their families or of maintaining the level of excellence needed to enable Europe to be at the forefront of innovation and compete on an equal footing with the most advanced countries, headed by the USA.

The shape of healthcare is also changing, with an increasingly ageing population facing the problem - and often the drama - of long-term illness, the need to be looked after and the treatment of terminal conditions.

No one is weaker than a sick person.

And no one is weaker and more in need than an aged sick person.

When it comes to healthcare and looking after its old people, Europe is losing the right to consider itself a decent society.

In every country, social security - the sole focus of most welfare policy discussions - needs to take account of longer life expectancy, a phenomenon which is undermining the sustainability over time of the old systems of financing.

However, laying down measures and policies that are identical for all European countries (a sort of "Maastricht for pensions", as someone dubbed it) would be a double mistake.

It would be a mistake from the economic point of view, because the starting points and background situations differ too much from country to country to allow for a single recipe that would work for all of them.

It would also be a mistake from the political point of view, because social security systems are so deeply ingrained in the social fabric of each community that any imposition from outside or above would be viewed as unacceptable interference.

Instead, where Europe can play a part is by promoting sound management of public money in the form of coordination and monitoring of national budget policies.

In this connection, increasing importance will need to be attached to the sustainability of the public finance situation, taking more notice of figures on the size of the debt rather than those that measure the change in the deficit year after year.

Whatever choices each country opts to make to ensure that their social security systems do not overload the public purse, harmonisation of treatment and equality between generations are the principles that should guide any action taken.

In any case, special attention deserves to be given to ways of facilitating, and perhaps delaying, the transition from working life to retirement by means of more flexible job arrangements as people get older.

Alongside the right to retire for people who have accumulated the entitlements and want to stop working, we should also learn to provide for the right to go on working for those who wish to extend their working life.

This will mean processes enlisting all those worried about protecting the fabric of their societies in an effort to create the conditions for a broad-based consensus.

Cooperative consultation between the social partners is a key element in the way we see society and the world of work.

To achieve this, to find new ways of protecting the most vulnerable that meet the needs of a rapidly changing society and economy, we need a strong and renewed union movement.

A network of solidarity

Recipes catering for the whole of Europe are as impossible in the world of work as they are for the reform of social security systems.

Any such recipes would be both mistaken and ineffective.

While making the protection of workers' rights, expectations and dignity the primary objective, employment policies must be designed to help boost economic growth.

This means policies that set out to protect and, where necessary, to support the worker rather than just defending an individual job. In other words, the policies need to be inside the market, not against it.

One aspect of the current labour market trend is causing particular concern and deserves special attention.

The world of work is becoming worryingly compartmentalised. There are those who have a job and proper protection of their rights; there are those who are looking for a job or have lost their job and often fail to ever get back into the world of work, and then we are seeing an increasingly large group of people, almost exclusively young people, in insecure fixed-term work, who have no real protection and are effectively deprived of the possibility of providing for a secure future for themselves.

These are all issues that affect and shape the everyday lives of ordinary men and women.

And they are problems that cannot be resolved simply by throwing public money at them.

It is not possible to believe, claim or promise that we can have everything.

Choices have got to be made and they are bound to be difficult. But they will be made less intractable, if consideration is given not only to the costs that will have to be met or cut, but also to the needs, old and new, that the reforms will be able to cater for.

When I refer to new needs, I mean in particular the most vulnerable of the vulnerable: those who are left without jobs, those who are suffering from or who have a relative suffering from an incurable disease, those who are living in conditions of poverty or are struck by disasters so hard or unforeseen as to undermine the very possibility of living a decent life.

For people like this in situations like these, Europe will have to throw out a safety net, if it wants to live up to its civilised credentials.

The safety net must include a guaranteed minimum wage.

Although the figure will vary from country to country, it is a principle that must - I repeat, must - be accepted and taken on board Europe-wide.

Immigration, integration and European citizenship

Immigration, which is often a source of fears, is also a source of opportunities that are far more tangible and real.

It is a phenomenon that needs to be properly managed by coming down hard on its illegal aspects, but making it easier where it corresponds to the legitimate hopes for a better life on the part of men and women from countries less fortunate than our own and where it meets the needs our societies now have.

Our societies can no longer do without immigrants, needing not only workers to do the jobs that our own citizens are now reluctant to accept, but also specialists to help boost our businesses.

When it comes to immigration policy, no country can be left to its own devices or think of going it alone. A coordinated European immigration policy is essential.

In order to be effective and credible (and to put paid to the public's fears about immigration being unregulated and out of control), immigration policy needs to be more comprehensive.

There is a need for measures to combat illegal immigration on the basis of rigorous controls on the Union's external borders managed by the Member States as a collective responsibility.

There is a need for an asylum policy based on criteria that apply Union-wide and help people integrate into the world of work rather than demotivating them.

There is a need for an admissions policy that, whatever name it is given, lays down European quotas based on information provided by the individual Member States.

There is a need for dialogue with the countries of origin from which large numbers of immigrants arrive, providing for investment and readmission agreements.

Finally, there is a need for a strategy for integrating legal immigrants, providing for solid investment in families' living conditions and in education for adults and, most importantly, children as a necessary initial stage, then granting the right to vote in local elections as an intermediate step, and then making citizenship easier to obtain as the logical culmination of the entire process.

Full integration and citizenship are issues that should be discussed not only for immigrants from outside the Union, but also for EU citizens resident in an EU country other than their own.

It is time to adopt a more generous policy on citizenship for these Europeans, who have chosen to live in a new country, have almost invariably developed a sense of belonging to their new country that does not clash with their attachment to their country of origin as well as generally displaying a keener "European spirit".

It is time to put some flesh and bones on European citizenship, for, otherwise, it risks remaining little more than a wishy-washy concept.

Regardless of which Member State they live in, EU citizens should be given the right to vote not only in local elections, but also in parliamentary ones.

Legal certainty and security

United by a single market and a single currency, Europeans demand to be able to live, freely and safely, in a single, efficient area of justice where the laws are clear and the same for everyone.

This is being demanded by families, to meet the new needs created by open, united and mobile societies.

This is being demanded by businesses, which find that the uncertainty concerning their rights and obligations prevents them from usefully planning their operations and their investments.

This is being demanded by citizens, and above all by the most vulnerable among them, for whom justice that is fragmented and often unbearably slow is often tantamount to nothing other than injustice, leaving them at the mercy of those who are stronger and richer.

Europeans are demanding security and protection against the huge and terrifying threats of terrorism, against organised economic crime, against the dangers encountered in daily life, in our cities, by day and by night, where it is the weakest and the elderly who are once again the most exposed.

Governing means taking on board the concerns and fears of citizens.

Most of the answers can and should come from the national and local authorities. But much can and should be done at European level, since not only criminals but also law-abiding citizens and businesses know no frontiers.

Cooperation and mutual understanding between national judicial authorities and law enforcement agencies is the cornerstone of any action.

Anyone who shirks this duty, or who tries to undermine the independence of the judicial systems, places himself in the anti-European camp.

The environment, an investment that pays

When the question of growth is discussed, environmental protection is nearly always treated as a constraint, an extra cost.

But that is true only if we lower our horizons and restrict ourselves to the immediate present.

If we raise our eyes and look further ahead we will see that, when we take care to reduce pollutant emissions, contain energy consumption and raise safety standards in industry, we are in fact investing in our future.

Clean air and water and safe food and agricultural products are guarantees of better human health and lower healthcare spending.

Well-kept soils, river beds and forests offer the most efficient and appropriate protection against the disasters that a ruined and neglected nature is wreaking upon us year after year, summer after summer.

If, then, we look at the prospects for innovation, we can see that the environment can represent an area of choice for the development of new technologies and, consequently, a competitive advantage for European industry.

Suffice it to mention – as I have already stressed – the extraordinary opportunities offered by research in the field of the hydrogen economy and fuel cells, particularly where linked to the use of non-renewable energy sources, or the possibilities that could be opened up by satellite positioning technologies, where applied to the monitoring of the territory.

There is another, equally important, reason why the environment is essential for growth and development in Europe.

Europe is the most beautiful region in the world. Our seas, our mountains, our historic cities, both large and small, are unrivalled.

In no other part of the world is it as good to live as in Europe.

But Europe is losing its beauty: in its countryside, along its coasts, in its cities and, above all, in the suburbs of its cities, which have nearly all become equally ugly and inhospitable.

The beauty of Europe is an essential part of our civilisation, of our way of life.

It is a heritage that we must not squander and calls for a major effort as a matter of urgency.

We are faced with a number of choices.

Choices that in some cases will have to take the form of straightforward prohibitions (bans on building, on dumping refuse, on flying over inhabited areas) and in others – I am thinking particularly of energy policy – could offer incentives to stimulate consumption, investment and technologies which contribute to environmental protection.

Consumers can play a crucial role here.

Through their choices they can exert a decisive influence on the behaviour of producers, prompting firms to regard as profitable, even in the short term, business strategies that are openly inspired by respect for the environment or for the rights of producers in poorer countries.

Just as important is the part that can be played by young people.

Compulsory military service is gradually disappearing from our European societies.

And rightly so, because conscription was less and less in line with the needs of modern defence and young people were experiencing it as an excessively long and costly waste of time between completing their studies and entering the world of work.

But replacing military service with a shorter, but also compulsory, period of civilian service could be a good thing.

Particularly if it were linked with protection of the environment and the more vulnerable members of society, not only in the young person's country of origin but also in the other EU Member States.

Policies for peace

I have deliberately left the topic of peace until last.

Without peace there can be no freedom, no justice.

Europe's policies in favour of peace and, more generally, its approach to international relations are a reflection of its history.

The first contribution that Europe can make is its own experience.

The Union we have built is the fruit of a long, patient dialogue, of the constant and at times difficult search for a greater common interest and a higher and stable equilibrium with which each party can identify.

It is a method of organising relations between states which over a period of fifty years has brought results, such as the enlargement of the Union from six to twenty-five and tomorrow to more than thirty Member States, or the peaceful adoption of a single currency by twelve and tomorrow many more countries, for which there is no precedent throughout history.

Europe appears before the world as the most extraordinary example of democratic governance of the globalisation process. An example towards which it is no coincidence that other continents such as Latin America or Africa are looking in the search for new forms of cooperation to overcome old divisions.

Born in order to put an end to war between peoples and in lands that had been the scenes of all the horrors of conflict, destruction and violence, united Europe is confirmed by enlargement as a factor of peace, stability and security throughout the continent.

Today no-one can think any longer of eastern Europe as an area at risk. No-one associates the countries of the region with the idea of danger.

History has repeated itself.

What has happened between the founding countries of Europe, between France, Germany and Italy, has again taken place with and among the new Member States, between Poland and Hungary as indeed between Germany and Poland or between Italy and Slovenia.

The same thing - and in many ways it is an even more extraordinary development - is happening, indeed has already happened, between the countries of the former Yugoslavia, which, thanks to concrete prospects of entering the common European home, have overcome all risks of conflict with each other.

Having learnt the lesson of Kosovo, and of the massacres that only the intervention of NATO and the United States was able to stop, we can calmly and proudly assert that Europe has played its part to the full.

If the Balkans are to stop for ever being the breeding-ground for international crises that they have been for centuries, the credit should go mainly to Europe.

From the Baltic to the Balkans, Europe is demonstrating in tangible terms what it is capable of doing, as a regional power, for international security and stability.

In this regional context, the next challenges will come from the Mediterranean and from the ring of countries situated immediately beyond the frontiers of the reunified Europe.

For Europe, the Mediterranean is a crucial area, an unavoidable challenge.

Europe, and Italy in particular, cannot achieve its full development potential and cannot be sure of its own security until the Mediterranean has been transformed into an area of peace, democracy and stability.

Only through a close relationship with the countries on the southern rim of the Mediterranean will it be possible to arrive at full and effective control of immigration.

The Israeli-Palestinian conflict continues to loom over the future of the region like a boulder blocking any path towards genuine hope.

The route that must be followed, even now that the hopes of peace again appear to be receding, remains the one set out in the Road Map, which was originally drawn up and proposed by us Europeans.

The ultimate destination at the end of the journey remains, and can be nothing other than, the existence, side by side and in peace and security, of the State of Israel and a Palestinian State.

Two free and sovereign states, integral parts of and leading players in a Middle East that is finally able to live in democracy, peace and prosperity.

For such a Middle East, for lasting peace between Israelis and Palestinians, Europe must be ready to commit financial and human resources.

Just as it should be ready to strive to breathe new life into its relations with the countries, from Russia and Ukraine to Morocco, that are and will be the neighbours of the enlarged Europe and mark its borders.

If it fails to uphold its own cultural, political and institutional identity, Europe will cease to exist as such. For us, a strong identity is an identity that is solid and open.

With this ring of friendly countries, we must therefore aim to share everything except our political institutions.

We must endeavour to build a relationship that is friendly and close enough to enable us to share a single economic, commercial, legal and cultural area, while bearing in mind that our institutions will always remain separate.

The exemplary value of its history, its method of organising relations between states based on dialogue and law, the decisive contribution towards stability brought by enlargement to an area that will shortly cover an entire continent, and a Mediterranean strategy that is open and generous: these are the foundations of Europe's policy for peace.

We Europeans have the ambition and feel that we have a responsibility to contribute to peace, stability and security not only at regional level but throughout the world.

In that broader and more difficult context too, we are determined to remain true to ourselves, faithful to the values of the world of justice that we are anxious to maintain as the starting point for all our action.

From the Kyoto Agreement on a more effective environmental policy, through the establishment of the International Criminal Court to the unilateral opening-up of its markets to goods and products from the poorest countries, Europe has consistently acted in the belief that the best way of ensuring international stability is to overcome the imbalances between different regions of the world.

Even at times when its internal divisions were more marked, Europe has systematically given priority to policies and actions conducted through the major supranational institutions.

The United Nations and, on a smaller geographical scale, the Atlantic Alliance are the unquestionable pillars underpinning European foreign policy, which cannot be regarded as separate from or, even less, in opposition to the United States.

The Atlantic Alliance, in particular, is the bridge that has for more than fifty years been keeping America and Europe together.

And, like any other bridge, if it is to remain sound and stand the test of time it must rest on two equally strong pillars: an American pillar and a European one.

This means, as far as Europe is concerned, accepting, also from a strictly military standpoint, the increasing responsibilities, including the budgetary implications, that flow from its ambition to be a leading player on the international stage.

Peace, freedom and security are not goals that can be achieved once and for all everywhere in the world.

They may even need to be defended with arms.

But the inescapable political and legal reference framework for Europe's international action is the United Nations.

However obvious the need to reform the ways in which that institution operates and takes decisions, it is within and through the UN that the strongest and most legitimate response to the need for organised international relations can be built.

The line taken by those who believe that the world will be more stable if it is placed in the hands of a single superpower is not shared by Europe.

4. Governing Europe

I have faced up to the challenges that await us, the values that we must take as inspiration for our responses, the choices that we must make to put flesh on the bones of our vision of a Europe of justice.

I have pronounced the name of Europe on innumerable occasions.

As if Europe today was already an actor capable of expressing and manifesting a unitary policy, as if we already had a European government or, to put it more precisely, an efficient system for governing Europe.

But actually we have not got there yet.

Constructing an efficient and coherent system of government is something we cannot honestly claim to have done yet, one of the reasons – by no means the least – being that Europe is a complex reality.

As a Union of States and of peoples, Europe has a system of government involving European, national, regional and local institutions and authorities.

Rigid, permanent demarcations of powers between the various levels of government are out of place here.

What we really need is intensive continuous cooperation between all the institutions.

There is no contradiction between this and the fact that, in those areas of activity where no State acting alone can hope to be effective and where, on the contrary, only joint action on a European level can yield results, Europe must be in a position to speak with one voice and act with a single, acknowledged, capacity to govern.

That is already the situation today in matters as varied as competition and international trade negotiations, and it is no simple coincidence that these are the very sectors in which Europe is a fully-fledged actor on the international scene.

But there are all too many subjects and too many occasions where European action is held back by the absence of clear lines of authority, by rights of veto, by procedures that do not allow immediate action once the decision has been taken.

I am thinking here of the management of the economy, where the European Central Bank has control of monetary policy and responsibility for it but does not have a similarly strong, stable partner responsible for budgetary policy.

But I am thinking also of immigration policy, of justice, of external border controls, of scientific research and, obviously, of policy on international relations and of another possibly more remote prospect, but one which we already need to start preparing for – defence.

The form of Europe's institutions does not yet match the ambitions we set for them.

Their development depends on our choices, on our vision of Europe either as a genuine deep-rooted political union or as no more than a free-trade area.

America's capacity to respond promptly to a declining economic situation or to express a clear foreign-policy line does not depend on the fact that Texas, California and Florida and all the other States have miraculously come up with a common vision of the problems of the world economy or international politics but on the fact that the

constitutional system provides for and supplies the instruments for producing decisions that are binding on all at short notice.

If we wish to manage our economy efficiently and coherently, if we wish to compete on an equal footing on international markets, if we wish to influence the options and directions taken by world politics, we need to be able to take decisions no less quickly and efficiently.

Are we ready to adopt the general rule of majority voting in the institutions of Europe?

Are we ready to accept that, in an area that is as important for the completion of the internal market as indirect taxation, individual States must give up their rights of veto? Are we ready to establish a European Civil Protection Agency, pooling our scarce national resources for responding to earthquakes, floods and fires, perhaps even painting our Canadairs blue and putting the gold stars of Europe on them? Are we ready to establish a European Science Foundation to assure scientific research in Europe of a level of quality and independence comparable to what the American Science Foundation offers on the other side of the Atlantic?

Are we ready to give up our national seats in the International Monetary Fund and accept a single seat for Europe?

Are we ready to adopt instruments enabling Europe to be effectively represented on a coherent unitary basis in the UN Security Council?

These are the choices before us, and they, more than any empty calls for faith in Europe, define the real attitude that each of us, each of our governments and each of our political formations will take to debates about Europe.

5. The forms of politics

Europe today, with its institutions, its structures, its limits, its tasks and its policies, is still far from having reached the same level of maturity and consolidation as its component nation States.

The edifice is under construction.

What we need in order to press ahead with the project at this historical time is a very broad consensus that excludes the divisions that nourish politics and democracy in the national context.

This is why, for example, the Union's executive body, the Commission, has always been seen as an institution that is under an obligation to disregard not only – and obviously – national divisions but also political distinctions.

This is not to say that politics in Europe needs a model that one way or another excludes open political confrontation, not only for the present but also for the future.

On the contrary, as the European Union consolidates its position as an entity enjoying a specific institutional identity and playing a leading role on the international scene, so Europe's political system also needs to come to full maturity.

Looking beyond the differences that continue to exist between countries, in Europe also the trend will persist for a small number of major political families to emerge, and formations, movements and traditions that have realised they share similar values and inspirations will naturally come together.

This will imply deep-seated changes in existing political actors and possibly even the emergence of new ones, because today's political families are still substantially the expression of realities and divisions that date from a now long-distant period in European politics, beginning with the fall of the Berlin Wall.

I am aware how strongly Europe's political formations are attached to their identity.

This is particularly true on the reformist wing.

But these are formations that share a vision of Europe based on values of freedom and social justice and are united in an openly-declared passionate belief in Europe.

In European terms and in the name of Europe, they can find powerful arguments there for coming together in a major new political family.

It is against this backdrop that, turning to Italy and the forthcoming elections for the European Parliament next spring, I have proposed that all reformists who acknowledge that they share a common vision of Europe and are ready to work for a common programme, should stand together on a single list.

Having generated their consensus, they should then be able to operate in a much greater spirit of unity in the European Parliament.

This is a new, authentically European political initiative, open to all reformist movements and citizens.

But the inspiration is still the original inspiration behind the Olive Tree.

A concept that represented and still represents a new era, a new style, a new approach to politics.

Opposing those who exploit the fears generated by economic and social change to push Europe into a self-centred withdrawal and to cut themselves off from all that is new and all that comes from outside, a common list of all the Italian reformists would offer a vision of openness, innovation and solidarity.

Presenting this project to the electorate in a unitary fashion, it would be coherent, would anticipate and encourage the evolution and restructuring of Europe's political system along bipolar lines.

In European terms also, the system that offers the best guarantee of sound government is open confrontation between two alternative political formations.

The road that European politics will have to take in order to reach this objective will undoubtedly be a long one.

But every journey, even if it is a thousand miles long, must begin with a first step. And the longer the journey, the greater the importance of taking that first step in good time.

The time has come to choose.

United, we can propose a strong political project, we can restore the confidence of those who are worried about the major changes in today's world, we can engender international action with a human face.

United, we can offer a new response to the crisis of politics and democracy.