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Romania and the European Union: a win-win scenario

Ladies and Gentlemen,

First, let me extend my gratitude to the LSE European Institute for the initiative to organize this conference dedicated to Romania, within its prestigious series 'The Future of Europe'. I also want to thank the ***FT Business***, which equally made possible this meeting, as well as the ***LSE Students' Union Romanian Society***, which associated itself to this event.

We can feel that there is an ever growing interest for Romania in the United Kingdom, as the date of our accession, 1st of January 2007, is coming closer, not only because **Romania and UK are strategic partners**, but also since **interest in how a soon-to-be new entrant in the EU perceives the current challenges** was considered of great interest by you, ladies and gentlemen, present here today.

Unfortunately, the recent public debate in the United Kingdom with regard to Romania has been rather dominated by **unjustified fear** and confiscated by the prolonged debate around the issue of the free movement of the labour force from Romania and Bulgaria to the UK. The recent outcome of this debate, consisting in maintaining the restrictions on the labour market for the Romanian and Bulgarian workers, unlike the case of the first 10 countries which joined in 2004, was for us a **rather disappointing** one and a perfect example of **how unmotivated apprehensions or myths can upbeat market realities or scientific studies**.

In this context, I am very honoured to be here and to be able to share with you a **perspective that reflects the win-win game represented by our forthcoming accession**. It is in our mutual interest to make Romania better known in Europe, as well as to present to the European public the image of a **young, modern and dynamic Romania**, a country with a strong European and democratic heritage –

brutally interrupted after the end of the second world war – a country which has a lot to add to the European family, in political, economic or cultural terms.

The EU needs Romania as much as Romania needs the EU. However paradoxically or daring it may sound, coming from a state that will make its entrance into the Union in January 2007, this phrase speaks the truth about our European path. Our accession to the Union is not an act of benevolence coming from hypothetically soft Brussels technocrats or lenient Governments of the Member States – I can assure you that this kind of people does not exist when it comes to politics or economy.

Rather, it is the achievement of a long road in which Romania and the EU have worked together to make sure that the enlarged Europe is a stronger, more democratic and competitive one.

Let's take economy, for example. Romania has maintained for ***six years in a row*** now a ***growth rate*** at double the rate of the old EU-15 average. It is a dynamics that already benefits Member States of the EU - the Netherlands, Austria, France, Germany, Italy or Great Britain, to mention only a few of them - through the refund coming from the investments made.

But this trend would not have been possible without the incentive represented by our accession process, without the economic support provided by the pre-accession funds, as well as the constant support in implementing reforms which are fundamental in order to **fulfil the political and economic Copenhagen criteria**. Romania now applies the regulations in force in the EU, has completely **re-founded its economy according to the internal market principles and ensures a genuine competition environment**, in which all companies are equally treated by the law and the same provisions apply to everyone in the business environment. At their turn, these transformations play to the advantage of the Union, through the extension of the area of the internal market, where common, transparent and predictable standards are enforced.

Another example at hand is represented by **Romania's human resources potential**, an important part of the population being highly trained and having high professional standards. For example, **Romania trains the largest number of IT engineers in the world after India**. At the **headquarters of the Microsoft in Washington, Romanians are the second largest group of foreigners after Indians**. IT knowledge and skills make an important dimension of the “brand” of Romania. It is important to know that **for a Union which sets as an objective to**

make a difference as the first knowledge based economy, Romania can provide solid assets in this direction.

In this context, let me briefly refer to the “hottest potato” of the debate nowadays in Great Britain, and not only, which is the ***free movement of workers***. This is one of the main freedoms of the EU and ***one asset in providing growth in the Union***, as clearly proven by a recent report of the Commission, which clearly pointed out that Great Britain, Ireland and Sweden have experienced the highest growth rates following the “open doors” policy enforced by these countries after the 2004 enlargement.

Free movement of workers supports economic growth in the destination countries and contributes to ***bridging the economic gap*** between old and new Member States. Romanian labour force working abroad is already bringing about benefits both at national and at community levels. Furthermore, Romanian migrant labour is mostly temporary, thus posing no threat to the national budget of the destination countries.

On medium-term, Romania’s economic growth will be an incentive for Romanians to work in their native country rather than abroad. Romania has a ***low unemployment***

rate (less than 6%). Furthermore, *Romanian market will turn itself into a destination for labour migration on medium-term.* The Romanian Government runs a series of growth and employment policies that would improve domestic standards and diminish the attractiveness of migration.

We certainly hope that the *annual revision of the arrangements* announced recently by the British Government, after a heated debate, *will prove that the fears regarding the Romanian workers were not validated by facts* and that by the end of the 1 year period of time which will elapse until the review of this measure, Great Britain will be ready to welcome, without any restrictions, Romanian workers.

The current European context can be considered a historic opportunity to evaluate our achievements so far and to lay the foundation for the future. It is a moment of intellectual effervescence and of substantial debates on the major issues facing us today. We are part of this “*re-founding*” exercise, which will define the new identity of the Union.

The future of the EU is, I believe, intrinsically tied to the **success of its enlargement policy**. **“The essence of the EU’s soft power”**, as **Commissioner Rehn** has called it, enlargement is the **most powerful instrument in the EU’s “arsenal”**. Its record so far is nothing short of impressive. It has brought back into the European family countries that have been for decades behind oppressive regimes. It has helped transform former totalitarian governments into functional democracies and market economies. In some areas, it has helped reverse the effects of years of confrontation and bring security and stability to war-torn countries.

The benefits have not been directed exclusively at the new member states and candidate countries. As figures have clearly shown, **economic growth has been registered across the board, for old and new members alike**.

The added value that new members bring is not a bonus – it is a vital necessity for a powerful and competitive EU. To that end, the European perspective of Turkey and the Western Balkan states must become reality. Of course, the calendar of accession is an issue that grants careful and mature reflection. Both sides must be prepared for the accession phase and this requires time and considerable effort. However, the **calendar must be a reasonable one and contain achievable**

targets, rather than being a continuation of the uncertainties and hesitations that have already begun to show their negative effects.

The perception of so-called “enlargement fatigue” cannot be overcome by drawing new borders, but by a *process of improving the EU's institutions and functioning capacity*, on a par with an honest, open and substantial dialogue with our citizens. *Enlargement cannot be an inertial project*. It must be driven forward by the European people's interests and aspirations; it must *fulfil their expectations and improve their lives*.

Romania has its own experience in dealing with a strenuous transition period towards a genuine democracy and functioning market economy. One could say that this is a success story. And indeed, it is. We are aware of the problems, pressures, sacrifices that need to be made and what strategies to apply in this process. All of these are tools that the Union can factor into its policies. All of these are examples of, if you like, good practices, that in the case of candidate or potential candidate countries could prove useful. *The expertise transfer towards other countries has already started* and I could mention here the *various rounds of dialogue with Croatia and FYROM*. In the same context, it is also worth to mention the *constant support given to the authorities from the Republic of Moldova*.

Regional cooperation is another field in which Romania can assume an active role. In this regard, I could quickly mention the complex process that marks the transformation of the Stability Pact for South-Eastern Europe into the Regional Cooperation Council, a process which will come to an end at the Bucharest Regional Table in November this year. The institutionalization of the SEECP and the enlargement of CEFTA are other major opportunities that can be used to reinforce the Western Balkans' European perspective.

As I have stated on numerous occasions, ***Romania is willing and able to contribute to the process of settling the difficult issues in the Western Balkans region.*** In particular, we support a strong and substantial EU involvement in Kosovo, in the post-status period. As a future EU member state, ***we are ready to assume our part of the responsibility of building a secure and prosperous Kosovo, part of a secure and prosperous region.***

Romania's presence in the EU will enhance the Union's profile in several dimensions of the external relations. One should take a quick look at the map and will suddenly realize that we have one of the largest external borders with Eastern European countries. This geographic position gave us a vast knowledge of

the area, including first-hand evaluations about the regional issues in the EU's Eastern Neighborhood, as well as ideas on possible ways to tackle them.

With Romania in, it is expected in the years to come, a stronger, more coherent and coordinated manner of involvement from EU's part in the Eastern vicinity, starting, of course, with an improved framework of action: an ENP+. And I am thinking of an ENP+ including a better defined regional approach, as well as an enhanced package of incentives that would further motivate the partner states to engage in deeper and further-reaching reforms. The ENP+ needs to be linked to and complemented by the provisions of other policies and instruments, such as the ones in the fields of energy, security, stability in the envisaged regions, respect for human rights, democratic principles and rule of law.

Romania brings to the EU two new neighbours: the Republic of Moldova and the Black Sea. From this perspective, Romania has the responsibility and the determination to consolidate EU's values in the Republic of Moldova and to engage this country into a meaningful, beneficial cooperation with the EU. We also look forward to our further and direct involvement in the European security cooperation meant to solve the Transnistrian conflict, a major hindrance to the

development of Republic of Moldova and to the stability and security of the entire region.

The Black Sea is another area towards which the EU has not had a comprehensive approach so far. As I already stated in the book which will be presented today, potentially, *Romania will have the biggest impact on the CFSP with regard to the Black Sea region. Romania will play an important role in the definition and direct involvement of the EU in this region.* Our experience and initiatives of cooperation with the countries in the area will be a valuable asset for the future actions of the Union. A first démarche in this regard has already been undertaken, through the organisation, in June this year, in Bucharest, of the Black Sea Forum. I believe that *EU should look more deeply and more closely to the possibility of shaping of a Black Sea Dimension within the Union*, aiming at creating an area of stability, prosperity and security with a well-defined regional identity. I count on UK's support on this matter.

I could not pass to another issue without highlighting *the added value Romania will bring for the European Security and Defence Policy*. Our contribution to this particular domain is, once again, well-known. Apart from the conceptual input, the involvement in the field operations is self-explaining: participation in *Concordia (EU*

Mission in FYROM, now ended), EUPM and EUFOR in Bosnia-Herzegovina, EUBAM Rafah (in Palestinian territories) and EUPOL Kinshasa (in RD Congo). And now we are preparing our contribution to the future EU mission in Kosovo, as I mentioned earlier, as well as a Romanian input to the EUJUST LEX in Iraq.

And now, I would like to refer to a subject that in our view lies at the core of the external relations of the EU: *the transatlantic relationship*. As an EU member state, Romania's voice will join the ones interested in *consolidating the transatlantic partnership in all its aspects*. I picture a transatlantic relationship based on the existence of two equal partners, that support and respect each other, able to answer in a coordinated manner to the challenges of globalization.

Romania's accession will bring a plus in the EU's activities in the field of development cooperation. Apart from our contribution to the EU budget, we will grant, bilaterally, assistance for development to the Republic of Moldova, Serbia and Georgia (as main beneficiaries) and to Iraq and Afghanistan (as countries in attention).

Security has become a complex word nowadays. It can be associated to a wide range of policies, such as internal security, or energy security, or external security. It can also associate to another concept and transform into “flexicurity”, at the edge between economy and security.

Perhaps few of you are aware that after accession, ***Romania will have to manage the second external border of the EU, after Finland's.*** It is a huge responsibility and also an important task we have undertaken. In this position, ***Romania will be in charge of guaranteeing the efficient management of the Eastern borders of the Union,*** and of responding effectively to common threats such as trafficking in human beings, organized crime etc. ***Romania has in fact already endorsed these responsibilities, acting since now as a provider of security at the Eastern EU border.***

On the other hand, after accession, Romania will benefit from the entire justice and home affairs policy at EU level. We too share the concerns about the negative effects of the illegal migration, smuggling, trafficking in human beings, cross-border criminality etc. The EU provides a wide range of instruments concerning internal security, and our accession to the Union will help us better protect both our country and the Union as a whole from these phenomena.

Energy security represents another global challenge for the Union of which we are preparing to become members very soon. The recent **Lahti Summit** has shown that the EU can be united in pursuing its objectives. It has also shown that the way ahead in creating a stable and predictable energy trading context, as well as ensuring environmental standards, is only by building strong partnership with third countries.

These objectives can be achieved by extending the European market rules and regulations as well as the environmental protection standards beyond the European borders and, in this respect, we only need to mention the **creation of the Energy Community in South-Eastern Europe**. The recent entering into force of the Energy Community Treaty in South-Eastern Europe creates the world's largest integrated energy market, which aims to enhance security of energy supply and adequate protection of the environment.

Romania has built up its strength in the energy sector and reached a high degree of market liberalization, which is one of the crucial aspects for a competitive internal market.

In line with the current European approach with regard to energy security and considering the **strategic potential of the Black Sea** in this respect, Romania, as a gas importer from the Russian Federation, as well as a country which promotes energetic security in the region and in Europe, is interested in accelerating alternative projects for the transportation of hydrocarbons projects aiming at the diversification of energy suppliers and transit routes.

In this context, from the Romanian point of view the **Nabucco gas pipeline** and **PEOP oil pipeline (Constanța-Trieste)** represent efficient alternative solutions with reasonable costs, which could contribute to increasing energetic security in Europe.

Our accession to the EU is governed by this balancing movement between what we bring to the Union and what the EU gives us, in which working together mutually benefits to the parties implied. It is a perfect example of a *win-win scenario*, in which complementariness and similitude mutual equilibrate each other.

The president of the European Parliament, Mr. **Josep Borrell** recently argued, in another knowledge center of Europe, the *College de Bruges*: **“Europe is no longer**

the centre of the world. I've just come back from China and India and I am more convinced of it. Soon, we will represent only 5% of humanity".

We Europeans must understand that *beyond our rather narrow circle there is another world living on*. We must try and grasp the opportunity of being able to have a word to say on the international scene, and this cannot be achieved without acting together.

Much more credit should be placed over *important achievements of the Union, such as the single market, the Schengen area, the four liberties*, which go far beyond the objectives set in the Schuman Declaration. Nowadays, to most Europeans they seem the minimum acceptable and they are taken for granted, instead of understanding their extraordinary "freshness" and continuous validity. They practically speak of 25 and soon to be 27 Member States, which have come together in creating a unique polity on the international scene, the European Union. To recall *Neil Walker's words, there is in short no genus of the polity of which the Union can confidently identify itself as a species*.

The EU can do a lot in several aspects of policy-making, and too less in others. This thin line between what the Union can and can not do has never been clear to the European citizens, because it has never been properly explained. The EU is not a "perfect polity" and this should be also made clear. It is a functional

organization, which offers solutions for a certain - high - amount of issues, and mostly contributes to abolish barriers between countries, be it trade, security or knowledge frontiers.

If Europe wants to ***consolidate its role of global player***, it must speak on a single voice, not on 27 or more. Of course it is difficult challenge, but not an impossible one. EU membership does not simply mean a contribution to the budget and attendance to the EU gatherings. No, it means, most of all, a direct involvement in the day to day life and businesses of the Union, an active presence in its politics, presenting solutions for the problems that come up either in Europe or worldwide. ***We strongly believe that we, as a new Member State, can rise up to this important challenge.***

Before concluding, I would like to add a few words about the book we are launching today - ***“The EU and Romania. Accession and Beyond”***.

I hope that the students and other categories of readers will find this book, to which important Romanian and European personalities have contributed to, a very valuable instrument in their ***daily research work***.

We need good books about Romania, not only about our accession process, but also on different themes, because they can contribute to lifting clichés and overcome perception obstacles. *Ignorance, despite Wilde's famous words¹, is a powerful instrument, and its effects can be quite dangerous.* This book genuinely tries to give real answers to important questions like why Romania wants to join the EU, the economical benefits for both Romania and EU, or Romania's contribution to the main subjects on the European agenda.

I would like therefore to thank Dr. David Phinnenmore from the University of Queen's -Belfast for his excellent work, of ensuring unity to a heterogeneous list of contributions to this book. I hope you will all enjoy reading this book, find interesting and useful information for your work or just for yourselves.

Thank you for your attention, and I stand ready to answer to your questions.

¹ Ignorance is like a delicate exotic fruit; touch it and the bloom is gone. (The importance of being earnest)