

The New Europe Emerging

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Dear Friends,

Let me start by saluting the initiative to bring us friends of Ukraine together in the beginning of this important year to discuss the tasks and challenges ahead.

And it is a very particular pleasure to come here under the colours of the blue and the yellow flag.

The flag of Ukraine. The famously fertile yellow soil. And the clear blue sky these days.

The flag of Europe. The sky of blue aspirations and hope. And the yellow starts of initiative and peoples and nations coming together.

And – by some sort of coincidence – the flag of Sweden. The cross from the sun on the blue sky. That's what the legends are telling us.

And there are long-standing links between my part of Europe and this part of Europe. The very name of this hotel – Hotel Rus - is worth reflecting upon.

The Rus were not the people coming from Russia. That entity did not exist those days more than a thousand years ago.

Historians dispute the origin of the word. But most probably it refers to the people coming from that eastwards-looking part of Sweden of which Stockholm is now a part. They sailed east, and made their name known.

They reached the shores of present Finland. Even today, Sweden for the Finns is known as Ruotsi – the land of the Rus.

And they went further. To Novgorod. To Kiev. And eventually, the states they helped set up become part of also the origin of what today is Russia and what today is the Ukraine.

In more modern terms, this might have been referred to as either regime change or nation building.

But the roots of Ukraine are of course very much more diverse than this implies.

Here, on the Dnjepr, traders and soldiers have passed by – some friendly, some distinctly not – for more than a thousand years.

Here, you have seen conquering armies from far away in the East, as well as more nearby from the East, and you have seen conquering armies from the at different times major powers in the West of Europe.

Indeed, I believe it is difficult to find any country in Europe that has been so profoundly influenced by so many so different currents and powers of Europe during the centuries.

The Roman, the Byzantine, the Ottoman, the Habsburg, the different version of the German, the Russian and the evil Soviet empire – they have all been here in the whole of or different part of what is today the Ukraine.

Since thirteen years, you are now an independent country. The attempt has been done before, but it did not last. Others had their designs for your lands, and your dreams were swept aside by the power they could muster.

But since 1989 we are living in a profoundly new historical situation in Europe. The last of the conquering empires is gone, and ours is the task of building a Europe that is truly whole and free, democratic and dynamic, and with a stability that will last for generations.

This is by no means a simple task.

I belong to those that believe that if we are truly interested in securing the peace and prosperity for our part of the world for generations to come there is no alternative to step by step building a federation of nation states, encompassing all of Europe, eventually spanning from the Arctic to the Mediterranean, reaching out to include also Turkey and thus over time building a bridge of democracy and stability also to the increasingly important Muslim world.

Since 1989, we have come perhaps half of the way towards the realisation of the first stage of that process.

What was once the European Community, trying to bridge the old divisions of that part of Europe that was once the kingdom of Charlemagne, has been transformed into a European Union with a much wider task.

And what we have seen in the years that have passed have been truly remarkable.

The former neutral countries of Austria, Finland and Sweden joined in 1995.

Based on the success of the single market, a common currency has been introduced from Finland in the north to Portugal and Greece in the south.

We see the gradual emergence of a common foreign and security policy.

And we are now only weeks away from the truly historic step when no less than ten new members will join the European Union on May 1st.

A decade ago, few would have thought this would have been possible. Many of the countries of Central Europe and the Baltic region were still in a very difficult situation. Their economies had imploded. Their political systems were fragile. Corruption was seen as rampant.

The miracle of regime transformation and reform that we have seen throughout this region during this decade has been the result of first and foremost determined leadership in these countries themselves, but secondly the combination of the model and magnetism of the European Union and the parallel evolution of the Euroatlantic security system with the important role played by the United States.

This year of 2004 is an important year of transition and of elections. What emerges in this year will set the pattern for the rest of this decade, and perhaps well after that as well.

It is the great year of the great elections – all over the world.

The world's largest democratic electorate will go to the polls in India. The world's second largest democratic electorate will go to the polls in the elections to the new European Parliament. There will be another election in Russia – the presidential one. And there will be elections towards the end of the year in Ukraine as well as in the United States.

The European elections are important, and not only for their symbolism in demonstrating the core of common democratic values, institutions and practices upon

which the European Union is based. They will set the stage for the institutions that will carry the process of integration in Europe forward in the years ahead.

The issues on the European agenda are of profound importance.

We are struggling with a constitutional treaty that will codify and reform the system of governance of our evolving federation of nation states.

It is not easy. It has never been done before. We must combine the politics of integration – the core of what we need to do for the peace and prosperity – with the politics of identity – of proud nations, rich cultures, heritages that demand their freedom to develop according to their own dreams and visions.

We will give new impetus to the issues of economic reforms.

The single market has already been the greatest economic liberalisation in European history. But more is clearly needed. It's a duty not only to the nearly half a billion citizens of this Union. It is imperative in order to create the possibilities for the new members to close the wealth gap versus the older members. And it's a duty to the rest of the world – let's not forget that this Union is the biggest export market for more than 130 countries around the world.

And we will broaden our horizons in terms of the future partnerships that one day might lead to full membership. We are only half the way towards fulfilling the task that history presented us with in 1989.

In a Brussels in transition, you can already sense that the focus and the agenda is starting to shift.

The new members will bring their new perspectives to the discussions and the decisions. In the mid-90's the addition of the perspectives from Vienna, Helsinki and Stockholm undoubtedly gave a new impetus to the entire issue of enlargement. It's obvious that the addition of the perspectives from Tallinn to Ljubljana will have an even more profound impact.

Key decisions on the future enlargement process will be taken – most important the one in December on whether to open accession negotiations with Turkey or not. If the imminent membership of Cyprus can heal the painful divisions of that island, I believe that we will see a green light for Turkey.

There is already an application from Croatia on the table. Another one from Macedonia is imminent. With negotiations with Romania and Bulgaria scheduled to be completed this year, all the structural issues of the place of Southeastern Europe in our structures of integration will be on the table.

And there are all the issues of the Wider Europe – now the New Neighbourhood Initiative. You can safely expect this to be one of the growth areas of Brussels policy-shaping not only in the months ahead, but in the years ahead.

At the moment, Russia is in focus. The December summit asked for a review of the state of the relationship. The 15 foreign ministers of the old members together with the 10 foreign ministers of the coming members will have their first discussion on the subject already on Monday.

I'm mentioning this because there are important lessons in this for Ukraine as well. You should have every interest in avoiding that the question marks that now are there over Russia become question marks over Ukraine as well.

Following the December Duma elections, the head of the European parliamentary observer mission issued a statement declaring that “the main impression of the overall electoral process is of regression in the democratisation process in Russia.”

It was obvious that the media was manipulated. It was obvious that there were different sorts of old-style administrative interference in the political process. It was obvious – also from other developments – that the rule of the law was substantially less than perfect.

There is no doubt that this is having an impact on our relationship with Russia. We hope that economic ties that are of obvious mutual interest will continue to develop. We hope that at some point in time Russia will be able to join the WTO so as to make real progress towards a common European economic space possible.

But with the heavy question marks over the nature of the political system that emerges in Russia, there will be distinct limits to the political relationship

The lesson in this for Ukraine is obvious.

It is futile to speak about a wish to integrate with the rest of Europe if this wish for integration does not fully encompass the democratic values, institutions and practices that are the very foundation of the European integration process.

As a country approaches an election, it is only natural that the political temperature increases. We heard it earlier today. But the hallmark of a democracy is that you play *by* the rules – and not play *with* the rules.

As a member of the Council of Europe as well as of the OSCE, and with aspirations one day to be able to enter the European Union, a Ukraine that wants its aspirations for the future to be taken seriously by others must show that it itself takes its own obligations to democracy, the rule of the law, an open society and a free and fair electoral process seriously.

The draft constitutional treaty of the European Union repeats the important message of the original Treaty of Rome – membership is open to every country of Europe that is willing and able to share sovereignty with the other members and live up to the common obligations of democracy, the rule of the law and an open economy.

The union has never refused membership of any country that has lived up to this – and I'm convinced it never will. Democracies don't close the door to each other – democracies thrive together.

We should not underestimate the magnitude of the tasks ahead. Europe is very much a work in progress – and will remain so for a long time to come.

This certainly applies to Ukraine as well.

You have undertaken significant economic reforms that are beginning to bear fruit. But you have not yet stabilized a democratic political process. You face difficult issues of national identity and vision. You must deal with social challenges and problems that are immense. Your free and independent Ukraine must be a society that brings a better life to everyone –not just to some.

In the past, attempts to create an independent Ukraine have all failed. The reason for the failure wasn't primarily Ukraine itself – it was a Europe where rival powers were still seeking domination over each other and the territories they could control.

Now, that Europe has passed. As we step by step build our federation of nation states within the framework of the wider security relationship across the Atlantic we are for the first time in history creating the wider framework within which also Ukraine can shape its own destiny and future.

This year of global elections will be important. In the European Union, it sets the stage for the next phase of integration, including the new perspectives on the wider Europe that the new members will give.

And here in Ukraine, whether you play *by* the rules or *with* the rules, whether you allow a truly free and fair election or not, will decide whether you will be seen as on your way towards our community of European democracies or not.

We – the friends of Ukraine here today- sincerely hope that your path will be the same as our path.

We all belong together.