

(Subject to changes, unofficial translation)

Prime Minister Matti Vanhanen at the plenary session of the European Parliament on 5 July 2006

Mr President, Honourable Members of Parliament, Members of the Political Groups, President and Vice-President of the Commission, Ladies and Gentlemen,

Thank you for this opportunity to talk about the priorities and main objectives for Finland's Presidency with the European Parliament. Though the Presidency is a demanding task, it is a great honour and privilege, which Finland welcomes with pleasure.

Cooperation between the Finnish Presidency and the European Parliament has got off to a good start. I would like to thank the President and all the other Members who took part in the meeting between the Finnish Government and Parliament in Helsinki in June. A number of other parliamentary delegations and political groups have also visited Finland and have engaged in productive discussions on the objectives for our Presidency.

Ever since it joined the Union, Finland has supported efforts to increase the effectiveness with which the EU institutions function and to improve close cooperation between them. As holder of the Presidency, Finland will work in close and effective cooperation with the European Parliament – not just on legislative matters covered by the codecision procedure, where Parliament has an equal say with the Council, but also more broadly in making progress towards the Union's main goals.

This year, Finland's own national Parliament, the Eduskunta, is celebrating a special anniversary: one hundred years have passed since the single-chamber Parliament was created and the first elections were held by universal and equal suffrage. At a stroke, everyone – men and women – won the right to vote and stand for election. We are proud of that landmark in the history of democracy.

The Finnish Parliament is closely involved with the handling of EU affairs, and it carries a great deal of influence. Perhaps it is because of our experience of fruitful cooperation with the Finnish Parliament that close cooperation with the European Parliament comes so naturally to us, as Finns. The work of the European Parliament does not overlap with the work of the national parliaments; they each have their own role to play in relation to EU matters. Fundamentally, however, they have the same basic mission: to strengthen democracy in the Union.

A Union that looks to the future

Mr President,

During its Presidency, Finland will endeavour to turn the Union's gaze outwards, and forwards. We have to consider what kind of a Union we want in 10 to 20 years time and how to achieve it. As Europeans, we must identify what historical forces for change are at work in the period we live in, and then we must respond to them and make them our allies. Finding ways to respond to globalisation is a major challenge for the EU

The world around the Union is changing and, if we do not take care, we will fall further and further behind. That would be a disaster, above all for the future of our children and the generations to come. For their sake, Europe must stop looking inwards and start thinking longer-term about our position in a globalised world. The world around us will not wait. To safeguard our future, we must take concrete action now, even if the effects will not be felt until later.

Strengthening the Unions' legitimacy

In recent years, the EU's decision-making ability has left something to be desired, and citizens are more critical than they once were. However, I do not go along with pessimistic talk of a Union in crisis; I believe that the problems currently facing us can be overcome. The agreement reached on the Financial Perspective and the progress made on the Services Directive demonstrate that the Union is capable of taking important decisions when the political will is there. I believe it is there, in all the EU's Institutions.

The European Union is community of values that exists for its citizens. Accordingly, its diminished legitimacy, its perceived lack of purpose and its dwindling credibility among its citizens must be taken seriously.

The Union's weakening legitimacy is due in part to the fact that citizens do not know what the Union does for them. Many of the things that have a concrete impact on people's lives – such as the right to live, work and study anywhere in the Union – are taken for granted. People forget that such things are possible only because of the Union.

However, not everything can be explained by the lack of knowledge. The Union must improve the way it functions. It must deliver results that impact on people's lives in ways that they can see.

The purpose for which the Union was created – securing peace and stability in Europe – is still relevant. I was given a very personal reminder of that on my trip to Croatia a few weeks ago. Croatians want to join the Union so that they and their children never have to witness war again.

Many other people who have lived their whole lives in peace-time tend to take peace and stability for granted, which is why it is no longer enough, on its own, to confer legitimacy on the Union. As many of you have often pointed out, the Union must be able to demonstrate to its citizens how it benefits them in other, more tangible ways.

Effectiveness and transparency will help to increase legitimacy

Mr President,

The best way to prove that the Union is necessary is by carrying out the Union's core tasks effectively, particularly as regards its legislative work. We can and must do this now, on the basis of the existing Treaties. Europe cannot afford to wait for new decision-making rules. It must start to increase the effectiveness of the way it functions now. The EU must show that it is capable of achievements that have an impact on people's lives rather than just squabbling over institutional matters.

Increasing the Union's effectiveness will require some bold decisions from Europe's leaders and decision-makers. We cannot just think of the here and now, and the next elections; we need to consider the interests of future generations. That means taking painful decisions now to help create a better future. We must also be prepared to give some ground when defending national positions and think about Europe's interests as a whole.

The EU should focus on the fundamentals and do so effectively. This means acting in a way that delivers value added compared with what the Member States could achieve individually. That value added can be achieved with regard to welfare, security and freedom.

The first step on the way to fulfilling our objectives is to look at the way we work. Transparency is crucial: citizens should know how the decisions that affect them are made. The growing political debate in Europe is in everyone's interests, and you have a crucial role to play here.

I welcome the European Council's decision to increase the openness of Council sessions. During our Presidency, we will fully apply the principles approved at the European Council concerning greater openness in the Council's work.

Finland will strive to increase transparency in other ways too, in all its day-to-day practical work and activities. We will try to ensure that all essential information is available as quickly as possible from our Presidency website. Sometimes, it is the practical tools that make information more genuinely accessible than any political statement could.

Better regulation

During its Presidency, Finland will strive to improve the way the Union legislates by paying greater attention to the quality of legislation and the principles of subsidiarity and proportionality. This entails more than just legislative pruning. The European Union needs new legislation and must update existing legislation. By doing so, the Union can actively influence and react to the changing world around it. We support the Commission's work on this front, too.

The Presidency will work hard to ensure that close attention is paid to the economic, social and environmental effects of legislative proposals. We also intend to push forwards with Commission proposals aimed at simplifying and updating legislation.

The whole agenda

The Council's work will be based on the work programme for 2006, which we drew up together with Austria. In the interests of continuity, it is extremely important that successive Presidencies cooperate with one another. Our cooperation with Austria went smoothly and we will continue to work in an equally positive spirit with the German Presidency, which will follow our own.

The Finnish Presidency is committed to working effectively, efficiently and impartially through all parts of the agenda for the EU. Today, I will just briefly mention the issues that Finland intends to give particular weight to during its Presidency but that does not mean that we will not also give due attention to other matters. Progress is needed in all areas.

The future of the EU

Mr President,

Finland wants to take the discussion on the Union's future forwards. This will include debate on the very concrete question of the future of the Constitutional Treaty and enlargement.

I welcome the decision taken by the European Council in June to move on from mere reflection on the Constitutional Treaty to a more active stage. This twin-track approach is right; we will improve the way the Union works on the basis of the existing Treaties at the same time as we consider the future of the Constitutional Treaty.

Finland will start consultations on the future of the Treaty during its Presidency. These consultations with the Member States and the EU Institutions will form the basis of the report to be presented in the first half of 2007 under the German Presidency.

I am convinced that an enlarging Union needs the Constitutional Treaty that was negotiated by its Member States. In Finland, the Government presented a proposal for ratification of the Constitutional Treaty to the Finnish Parliament at the beginning of June. The Finnish Parliament will deliberate on the matter during its autumn session. Thus, Finland has come out in favour of the Treaty as negotiated.

Enlargement is a key issue for Finland's Presidency. I am personally convinced that the enlargement of the Union has been a success story. Not only is enlargement a key tool for strengthening stability and democracy but it is also one of the strategic responses to the challenges of globalisation. Recent analyses show that both new and old Member States have clearly benefited from the last enlargement.

At the European Council in June there was an important discussion on the Union's absorption capacity. I am very pleased that this was not set as a new accession criterion. No new criteria should be set for applicant countries but at the same time it is imperative that the existing ones be adhered to.

My starting premise here is that the EU must continue to be an open union. European countries that fulfil the membership criteria must have the possibility to join.

The decision on the accession date for Romania and Bulgaria will be made during our Presidency. Membership negotiations with Turkey and Croatia will also continue to move forwards on the basis of the progress made and the Commission reports.

The Finnish Presidency will also support the Western Balkans' European aspirations. In many ways, this is a decisive year for the future of the Western Balkans. The process concerning the status of Kosovo will probably reach a conclusive phase in the autumn. The Presidency hopes that the difficult negotiations in which the parties are currently engaged under the leadership of Martti Ahtisaari will bear fruit by the end of the year.

Succeeding in global competition

Mr President,

An essential theme for Finland's Presidency is the EU's and the Member States' competitiveness, their performance in global competition. During our Presidency, we will focus on this issue in various Council formations.

The fundamental question is what will provide the basis for economic growth in Europe. Finland's answer is that growth can be based, amongst other things, on innovation, energy solutions, the quality and productivity of labour, openness in global trade, immigration and properly functioning social protection.

The Member States have the main responsibility regarding competitiveness. They should assume ownership in this regard. However, the Union must also do its share. Finland will try to achieve a result with regard to the 7th Research Framework Programme. We will also work for a result on the REACH Chemical Regulation, the Services Directive, the Working Time Directive and the Regulation on Roaming charges.

The Finnish Presidency wants to make progress on the development of a broad-based innovation policy. In the Council's legislative work and at the meeting of Heads of State or Government in Lahti, we will focus on initiatives aimed at creating an environment that is conducive to innovation and to the effective use of it. The goal is a policy that generates demand for innovation.

In Lahti, the Heads of State or Government will be able to push ahead towards making the necessary decisions.

A broad-based innovation policy requires joint action at EU level and more effective decision-making with regard to standardisation, protection of intellectual property and development of financial markets, for example. Promoting the mobility of students and researchers, cooperation between universities and the creation of European centres of excellence is just as important.

I would also draw attention to the positive effects of an open global economy and the competition that follows from this, in encouraging the use of innovation.

Europe must increase the mobility of its human and material resources. The internal market and measures to improve it form the foundation of innovation policy.

The obstacles that hinder the effective operation of the internal market must be removed so that we can enjoy the full benefits of economic integration. The internal market is the cornerstone of the EU. We must not forget that. The market in services is very significant here, and it is extremely good that we are on the way to settling the Services Directive. The European Parliament has played a decisive role in this. I hope that the Directive can be adopted directly at its second reading in the Parliament.

External relations with regard to energy will also be on the agenda at the informal meeting of Heads of State or Government in Lahti. The President of Russia, Vladimir Putin, has been invited to join the dinner after the meeting, when he will have the opportunity for informal discussions with the EU leaders.

Securing a reliable supply of reasonably priced energy is crucial to Europe's economic success. All Member States need to respond to the challenges posed by rising energy prices, the need for secure supplies and climate change. Energy policy choices are for the most part a matter for the Member States. However, the EU does need some

common energy-policy guidelines and, in particular, a coherent policy on the external-relations aspects of energy.

During Finland's Presidency, we want to promote the strategic discussion on how to incorporate our energy-policy goals into the EU's external action.

Energy consumption and the choice of energy sources are clearly connected to climate change, which is now the most serious threat to our environment.

With regard to climate policy, it is particularly important that we promote the negotiations on the UN's climate regime after 2012. As holder of the Presidency, Finland will strive to promote international discussions that could result in an ambitious regime covering all major countries with regard to climate change, in line with the EU's objective. A comprehensive agreement would help in meeting the challenge of climate change as well as securing the EU's competitiveness.

Both policy areas – energy and climate change – will be high on the agenda for the Summit meetings with third countries during Finland's Presidency, including the ASEM 10th anniversary Summit meeting between the EU and Asian countries.

I am well aware that millions of Europeans fear global competition and that is why they oppose many changes. This fear was in evidence in discussions on the Services Directive, for example, and it must be taken seriously. I would stress that we should not pursue competitiveness in Europe at any cost, regardless of the consequences. There must be a balance between reform, a sense of security in social terms and environmental sustainability. New working methods and modern technology are often good for both economic growth and social welfare, and reduce environmental emissions.

If we are to preserve Europe's welfare societies, we need to improve our competitiveness, and increase the employment rate and labour productivity. We must cooperate closely with the social partners to achieve results. A new balance between flexibility and security must be sought. With this in mind, Finland will host an extraordinary social Summit at the eve of the Lahti meeting of Heads of State or Government, at which we will discuss these themes.

The Union as a global actor

Mr President,

The Union's external relations are linked with the economy since the Union's economic strength forms the basis for its external action. Being an attractive and interesting trading partner confers influence. The EU has become a global actor that cannot afford to pause for reflection periods as regards its external action.

During Finland's Presidency, we aim to strengthen the EU's international role and reinforce the consistency of its actions. Compared to many other global players, the Union has a comprehensive set of instruments at its disposal. These should be used with consistency, whether in relation to external relations, trade, development cooperation or human rights. The Union will sound united to the rest of world only if it speaks with one voice.

We will further develop the Union's crisis management. The EU's Battle Groups must be fully operational by the beginning of 2007. We will continue enhancing the civil and military crisis co-ordination.

Finland's EU Presidency will place particular emphasis on relations with Russia and, in connection with them, the Northern Dimension. The Western Balkans, Transatlantic relations and Asia will also be high on the agenda.

Relations between the EU and Russia will not be restricted to trade and energy issues; the aim is a broad-based partnership with Russia based on our common European values and global interests. The goal is to intensify Russia's involvement in democratic European cooperation in various sectors of society. To this end, we need greater dialogue and interaction between the EU countries and Russia including possibilities for student exchange, cultural cooperation and active involvement of civil society.

The current EU-Russia Partnership and Cooperation Agreement will expire at the end of next year and the new negotiating framework will be discussed during Finland's Presidency. As regards the Northern Dimension, we have already come a long way: the new political framework agreement will be signed during the coming autumn.

In addition to the aforementioned issues, we will naturally devote due attention to the situation in the Middle East and other crisis regions in the world. We are particularly concerned by the situation in the Palestinian territories, on which special talks are being held today. In external relations the unexpected is the rule more than the exception. As the country holding the EU Presidency, Finland is ready to shoulder its responsibilities should the unexpected occur.

Justice and Home Affairs

Mr President,

During Finland's Presidency there will be a thorough political review of progress in building an area of freedom, security and justice. We need concrete measures, effective decision-making and strict national implementation of the decisions that have already been made. In 1999, the Tampere Summit paved the way for ambitious and democratic development of justice and home affairs. Now, in 2006, the review of the Hague Programme will provide us with an opportunity to actively push ahead with European cooperation in that field.

The EU's citizens expect effective action from the Union to combat international crime, human trafficking and terrorism. During Finland's Presidency, the Member States will face a test of their political will and their commitment to more effective decision-making, particularly with regard to police and criminal matters. The EU can function more effectively if the Member States will agree to use qualified-majority voting and the Community method (communitisation) for this field. The June European Council invited us to consider how this matter could be taken forward.

I would also like to emphasise that by focusing on cooperation in the field of police and criminal matters, we are not trying to score easy points. Our intention is not to smuggle the Constitutional Treaty in through the backdoor as the necessary changes can be introduced on the basis of the Treaty of Nice.

Finland also wants to reinforce implementation of the principle of mutual recognition in judicial cooperation. When judgments and decisions by judicial authorities in other

Member States are executed as they stand, this can help in practical ways with the investigation of large-scale cross-border crime and can speed up legal proceedings. The European arrest warrant is a good example of this: it has, in some cases, brought the time taken to transfer suspects down from over six months to as little as one day.

Recent events in places such as the Canary Islands and Malta have put illegal immigration back in the headlines. We need to look at the full range of options open to the Union, including agreement on a common approach to legal immigration.

Reinforcing border controls is just one part of the solution, albeit a significant one. The importance of cooperation with countries of origin and transit countries in relation to illegal immigration cannot be overstated. We must try to ensure that a common EU asylum policy is in place by 2010. The Union must continue to give protection to those who need it, on the basis of comparable procedures and legislation. Due attention must also be given to the external dimension of migration and partnership with our neighbours.

Mr President,

As I said at the start of my speech, cooperation between the institutions must be developed further both at European and national level. I wish to extend my sincerest thanks to you for this opportunity to present the priorities for Finland's Presidency and to discuss with you on how to make progress on them. I am interested to hear your comments, either today or at a later date, during the plenary or on other occasions.

The debate on developing the European Union is important, whatever your political opinions may be. At the open discussion held in Helsinki at the beginning of June, the leaders of the groups in the European Parliament demonstrated both the will and the ability to move forward with the European agenda. In Finland too, we are used to engaging in productive cross-party political cooperation. It comes naturally at European level too.

I hope that the cooperation between us over the next six months will produce the best possible results. I look forward to returning to talk with you about the summits that are to be held during Finland's Presidency.

We are faced with great challenges. The Union must look forward, boldly seize the opportunity for reforms and demonstrate that it has the political will to develop Europe. I believe that the answer in most cases is rather "more Europe" than "less Europe".

Some people have wasted no time in describing Finland's Presidency as some kind of caretaker Presidency. In other words, the Finnish Presidency would only take care of the Union's day-to-day business and prepare for a time when we would be ready to tackle the important issues facing the Union. To that I must clearly reply that, though there might be something of a wait-and-see mood in the Union, the world around us is not going to stop and wait. We would be doing future generations of Europeans a great disservice if we were simply to shut our eyes to the historic challenges that we face and wait for better times to come. The time is here and now.