

**Speech by Deputy Prime Minister – Nick Clegg at the Eastern Partnership Conference:
Towards a European Community of democracy, prosperity and a stronger civil society,
Warsaw 29 September 2011**

It is twenty years since the Soviet Union collapsed.

I was a student.

Part of a generation raised during the Cold War...

With family from across Europe:

I'm British, my mother is Dutch, my grandmother Russian, with roots tracing back to Ukraine.

Like many people, we watched with great hope...

As the barriers that divided this continent were swept away.

We witnessed a new dawn for Europe.

A triumph for peace, prosperity, and liberty too.

Two decades on and it is European unity that concerns us again today.

Europe finds itself, once again, at a fork in the road.

As a sovereign debt crisis continues to engulf the Eurozone...

And as all energies are focused on the big steps needed to end that crisis...

To stop it ever happening again...

Europe is clearly embarking on a period of change.

The danger we face, which I will address today, is of change leading to fragmentation.

That we become divided, turning away from each other...

Both within the European Union, and with our partners who are not, or not yet, members of it.

As I will explain, that would be a disaster.

Our history has been marked by moments of great destruction and turmoil.

At each we have had to make a choice:

Do we allow circumstances to pull us apart...

Or do we overcome our challenges by working together?

And, when it has counted most, Europeans have stood together.

Recognising that we are stronger shoulder-to-shoulder than we are apart.

Now, we must do the same again.

Whether that is on completion of the Single Market;

Whether through the EU staying open to the rest of the world, not least our Eastern neighbours...

With those countries driving through the reforms that are their side of the deal;

Whether by showing new, European leadership on defence.

In these areas, and so many others, we are the key to each other's success.

The danger of division

Before I come to those, let's consider the danger of division.

European states have always been arranged in different groups.

And levels of integration have always varied between those groups...
With nations changing and evolving at different speeds...
Jumping different hurdles at different points.
Academics call it variable geometry, and there's nothing new about it.

Today we have states in the Eurozone, and those out of it.
Those who are out, but want to be in.
Those who are out, and happy to stay out.
And those not currently in the European Union at all.

These distinctions are not the problem.
The problem is if the economic crisis deepens the fault lines between our nations...
If it tears us apart.

It is entirely feasible that – for a period – the Eurozone now turns inwards.
In order to resolve the current troubles, members will need to integrate further, that is clear.
A number of ideas are floating around...
Primarily around further fiscal integration to support monetary union...
With stronger governance arrangements to support it.
And it is not the UK's place to seek to dictate those steps.
Like everyone, our immediate concern is that decisions are taken quickly.
The world is impatient.
The markets are desperate for signs of leadership.
The Eurozone does not have time on its side.

But, we are also clear that any change to governance structures must not lead to a weaker and divisive Europe...
Where the aims of “Euro ins” are set against those of “Euro outs”.
There can be no inhibiting of trade, for example...
No obstructing the single market...
And any decision that affects the 27 must always be taken by the 27.

The European Union is built on consent, cooperation, participation.
While the UK has chosen not to join the Euro...
We respect the decisions taken by its members to support it.
But we cannot accept arrangements that would privilege the Eurozone as a decision-making body over the European Council.
It would not be right for the Eurozone to take decisions that bind the rest of the EU.
Above all, it cannot act against the interests of those who are not members.

That is the surest way to rupture our union...
Undermining the huge strides that have been taken to secure cooperation between us....
Allowing walls to spring up, even though we spent years knocking them down.

And don't forget how central that cooperation is to our shared prosperity.
Our economies benefit massively from integration.
Ask the British manufacturer whose goods travel without duty or tariff for sale in Spain.
Or the Polish engineer who moves freely to work in Germany.

Sacrificing that closeness would carry huge costs for the businesses and individuals who benefit from the opportunity it presents.
And, in the future, it would mean less trade, fewer jobs, lower growth...
A major blow to a continent that was already struggling to compete with new global powers...
Even before this crisis began.

A fractured and fragmented EU would also be less inclined – and less able – to open its door to our partners in the East.

Standing Together

We must not let that happen.
This is a moment for leadership...
Countering the forces pulling us apart...
While – for the UK’s part – we serve British national interests too.

That should happen in a range of areas...
I won’t attempt to cover each one...
But I will pick out those where there are both real risks and real opportunities:
The Single Market, greater partnership between the EU and our Eastern neighbours, and European defence.

Single Market

On the Single Market, we must be much more aggressive about completing it.
The world’s largest borderless marketplace...
Consisting of 500 million people...
Generating 12 trillion Euros every year.

As a result of the Single Market, EU nations trade with each other around twice as much as they would do otherwise.
Imagine the prosperity we could deliver if we took it to the next stage.
Liberalising trade in services and in the digital economy could add around 800bn Euros to the EU’s economy...
That’s around 4200 Euros extra for the average household every year.

It’s also how we make ourselves more competitive.
On current trends, by the middle of this century major European economies are expected to have slipped from their top spots...
France, Germany, the UK.
Our growth rates are still only half of what they were before the crisis...
While our competitors steam ahead.
The only way to turn that around is through a major effort to open up our markets.

Partnership with the East

And not just within the EU, but outside of it.
It’s estimated that, by opening up to other markets, we could create up to 5.2m new jobs...
More than were lost during the recession.

Which brings me to our Eastern neighbours.

It is in the EU's clear interest to offer meaningful integration to those neighbours.

Including through full EU membership, where the criteria are rigorously met.

The creation of the European Union was the most daring political experiment of modern times.

But the growth of that union has been even more impressive.

The leaders of the time were big enough to take a risk...

To do the previously unthinkable...

And millions of ordinary people have seen their lives improve as a result.

So the UK is clear: 'no' to a planned pause after Croatia.

Any European nation that meets the eligibility criteria must be welcome to apply for EU membership.

To those who say enlargement is impossible because of our cultural differences...

The EU has always been a patchwork of different identities.

To those who say it costs too much...

The boost to trade can reap enormous economic benefits – that has been the experience after previous enlargements.

In the UK, exports to the new Member States are two and a half times what they were a decade ago.

To those who say it is administratively impossible...

I recognise that expansion creates logistical challenges...

But surely we will not restrict entry to our club...

Because we cannot reorganise the tables and chairs?

Of course, it would be totally wrong to lower the bar for membership.

But we can help nations straining to reach it...

Using integration to support reform.

That's what the EU's reworked Neighbourhood Policy should do.

Previously, billions of Euros were sent across our Southern and Eastern borders to aid political and economic reform...

But it did not achieve enough.

That money will now be properly targeted, specially tailored, country by country...

And, where we do not see real progress, support and access will be withdrawn.

The regional element of that - the 'Eastern Partnership' – offers much closer integration to Ukraine, Moldova, Georgia, Armenia and Azerbaijan...

As well as Belarus, on the condition of proper reform – which I will come to.

I would like to pay tribute to the Polish Presidency for spear-heading this agenda...

Encouraging the EU to extend the hand of friendship to these countries...

In a way we never really have before.

Not least through Deep and Comprehensive Free Trade Areas...

Much more than simple tariff liberalisation, but bringing countries' commercial laws and regulations in line with EU standards...

In effect integrating these countries into the Single Market.

The partnership will also seek to build regional cooperation.
The EU wants to help Armenia and Azerbaijan resolve their conflict...
And we remain committed to helping Georgia protect its territorial integrity within its internationally recognised borders.

On the Eastern partnership, let me get one thing straight:
The UK does not see these agreements as an *alternative* to EU membership...
Which I know is a concern for some.
We do not see these agreements as a dead end.
They are not a downgrading.
On the contrary, they are a very real deepening of our ties...
A down-payment towards membership for those who seek it.

Reform in the East

Of course, for this partnership to work, our neighbours need to do their bit.
Liberalising your economies, opening up your politics, entrenching the rule of law.

Transition in post-communist Europe has been extremely mixed.
There are success stories – ten former communist countries are now members of the EU and NATO.
But elsewhere we have seen progress stall, even regress.

The shift to democracy and to a market economy cannot happen overnight.
It is not without pain.
And it can become harder over time...
As the cost of reform is paid before its benefits are felt.
But the facts speak for themselves.
Where states have taken decisive steps, and maintained momentum...
We now see maturing democracies, consistent stability, higher growth.

Real reform works.
Its half-measures and token gestures that create the worst of all worlds.
Autocracy, crony capitalism...
Where, without proper democratic controls, power cannot be kept in check.
No transparency, so no end to corruption.
No accountability, so no means of restraining vested interests.
No rule of law, so no foreign investment...
Nor can you create the environment for honest businesses to thrive.

So the UK urges our partners to see through your reform programmes – political and economic
Freedom of speech, human rights, economic opportunity – these are not ‘western values’...
They are the aspirations of people across the globe.
They are the building blocks of prosperity.

We want our partners to build on progress already made.
Like Ukraine.
A country with 8 million more people than Poland...

But an economy only a third of the size.
Energy, agriculture, access to major markets, enviable human resources...
Ukraine has what it takes to become a European giant...
But only if it builds a dynamic market economy coupled with a vibrant democracy.

So there can be no backsliding.
In order to attract wealth...
Foreign investors must be confident of decent protections under Ukrainian law and in Ukrainian courts.
In order to complete negotiations with the EU – negotiations that could revolutionise Ukraine's economy...
We must see fair elections, a free press...
And a guarantee that opponents of the Government are not persecuted for their views.
Otherwise EU parliaments will find it very difficult to ratify the agreement that is now tantalisingly close.

Ukraine, of course, is a country where there is progress to work with.
Unfortunately the same cannot be said for Belarus.

Grave human rights abuses continue under Alexander Lukashenko's regime.
He has decimated the opposition...
Doing whatever it takes to retain his grip on power.

I was in Minsk 15 years ago...
There as an EU official...
Trying to help find ways to take Belarus forward.
I find it deeply saddening that, if I went back now...
I expect many of the problems I witnessed, would be the same, or even worse.

But there is hope.
If we are learning anything from events across the Arab world...
It's this:
You cannot deny people their rights and freedoms forever.
Not in today's world.
Not when the forces of youth, technology and economic grievance are colliding to drive change across the globe...
Pushing the oppressed and forgotten to find their voice.
You cannot rig an election...
Squash dissent...
Destroy liberty...
Run an economy into the ground...
Without, eventually, paying the price.

Lukashenko's support is now at its lowest in years.
Finding himself increasingly isolated abroad...
At home he is facing protests; worker unrest...
Growing opposition from the young and the educated...
The international community must now keep up the pressure.

In Europe, that means sticking to our comprehensive package of sanctions...
Aimed squarely at members of the regime involved in human rights abuse.
The offer of dialogue remains, but the price is clear:
Stop the repression, start building democracy...
Or you will get nothing from us.
Europe has come too far, achieved too much...
To allow any European nation to be dragged back to our darker past.

Defence

Finally, I would like to say a word on defence.
Because, with budgets under pressure, there is also a danger of fracture.
Some countries have shown a willingness to invest in meaningful defence capabilities...
And, crucially, a willingness to deploy them – as seen in Afghanistan and recently in Libya.
Others are more interested in institutional tinkering...
Detracting from, rather than increasing, Europe's defence capabilities.

For the UK's part, we believe that those countries which are serious about European defence...
Whether in NATO or EU frameworks...
Should forge ahead in partnership...
As the UK and France are already doing.
Others who have the will and the capabilities should join us.
Not to create a Euro-army or anything to rival NATO, but to increase our capabilities, to find savings and to pull our weight both inside and outside NATO.

We don't want simply to rely on the US, we want European leadership.
The current US administration has made very clear it expects Europe to up its game.
Any future administration is likely to feel the same.
Frankly, I agree.
So we want to take a lead on European foreign policy and defence...
And we want those who are able and willing to join us.
Yes to Atlanticism, but coupled to a new leadership in Europe.

Sum up

So, to finish as I began...
As we look back at the end of the Soviet Union...
A moment when all Europeans watched with both awe and unease as old certainties vanished...
We are again at a turning point in our history.

Now, as then, Europeans face a choice.
Drift apart, retreat to our corners, and undo the work of those who came before us.
Or, amidst the rubble of the current strife, find each other once more;
A united European Union, standing shoulder-to-shoulder with our partners in the East...
Standing together for the sake of our common good.

We've done it before.

We can do it again.

Thank you.