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Ladies and Gentlemen,

It gives me great pleasure to join you here at this Conference on “World Policy”. The timing (unfortunately) couldn't be better chosen. In the last months, we have encountered growing concern about the course of events at both the political and the economic level.

There are obviously many ways of describing the current state of the world, but I suppose that most of you would share the view that today's world is, in some respects, becoming more insecure.

Since the fall of the Berlin Wall and the end of the Cold War, the international scene has changed rapidly. The world is beset with so many difficult problems, not only military conflicts and financial upheavals, but also the threat to health and our environment as well as the difficult question of cultural diversity.

Yet, contrary to all expectations about a “New World Order” or the building of a “global village”, widespread after the end of the Cold War and the demise of the USSR, today's world is neither unified nor peaceful.

Thus, we are experiencing a growing sense of unease about the future. With its wide transnational network and manifold impact, globalization is eroding the capacity of nation states to counteract these developments on their own, even of international institutions to be effective political actors on the world stage.

In that context of complex international political and economic changes, it is essential although difficult for political leaders to grasp the implications and extent of what is happening, to understand the sources and to develop appropriate policies to address these manifold questions.

There are certainly two striking characteristics of the recent developments, which are hampering the state of today's world: first, the slowness of the political response to socio-economic transformations; and second, the instability of the international system.

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In the most recent months, we have witnessed huge developments - the visible rise of China; the dramatic assertion of Russia; the growing instability in Pakistan, as well as the massive fluctuations in the price of oil, the slow-down of both the European and US economies, and continuing difficulties in achieving institutional reform in the European Union.

Even more so, two major pillars of the world order have recently been put under enormous strain: the financial system and the international law.



The financial markets are currently facing one of the most severe crises since the Second World War. Something went terribly wrong.

This scope of this crisis reminds us once again just how intertwined our fate is - and how interdependent our economies are. With the crisis now spreading rapidly from the US across to Europe – and now from the financial markets into the real economy, governments are struggling to find an adequate response.

It seems policymakers had failed until recently to fully grasp the breadth and the depth of the crisis. And, on neither side of the Atlantic has this issue been handled particularly effectively.

When markets fail, governments have to intervene to make them work again, and above all to prevent further dramatic effects on the economy, and on the citizens.

Finding an adequate response to soften the blow of the crisis will be at the centre of discussions the European Council meeting of Heads of State and Government next week.

A credible and effective response needs to be a coordinated one - one which is agreed upon all the 27 Member States. Last week-end's meeting of the G4 on the invitation of the President-in-Office of the European Union, President Nicolas Sarkozy, might well have set the tone and the right direction for the European Union to proceed in addressing this crisis.

Yet, it is up to the European Council to define and decide upon a coordinated way forward. Any decision involving and touching upon the economic interest of our common European Union must be taken by all the leaders of the European Union Member States.

Responding in a coordinated manner also implies that individual member states refrain from acting unitarily, as that can only cause harm on their partners and make a way out of the crisis more difficult. European countries can not react as every man for himself and must make sure to send a coordinated message to the markets.

The current "exceptional circumstances" indeed require exceptional measures. We need to work together to support our financial institutions. It is essential to find a consensus on coordinated action of all 27 EU-Member States at the European Council next week.

But exceptional can not be synonymous of abandoning the core principles of market economy, such as the need for effective competition policy, or of providing a blank check to banks and closing an eye on the main rules the European Monetary Union is built upon.

The European Commission has put forward a number of proposals last week, which are a first step in the right direction. The European Parliament – which has long warned about many of the shortcomings in regulatory and supervisory procedures and called for an appropriate policy response to address the deficiencies - welcomes this initiative.

Yet, the current situation calls for a bolder approach. We ought to aim at a European approach to supervision, crisis management and resolution.

This notwithstanding, a comprehensive response to the crisis on world markets also requires solutions to be looked at a global level. We need a 2008 neo-"Bretton Woods" conference. In that context, I welcome the call for a G8 summit as soon as possible, which could set the course for a larger review of the rules governing financial markets.

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The second major pillar of the international order that has been strongly challenged is international law, with the escalation of the crisis in Georgia last August. There was no reason to play down the seriousness of the situation. That crisis constituted a threat to security on the European continent without parallel since the collapse of the Soviet Union.



Russia's decision, on 26 August, to recognise the independence of the Georgian Caucasus provinces of Abkhazia and South Ossetia, in defiance of international law, not only made a peaceful solution to the conflict more difficult to achieve, but also jeopardised the overall stability of the world order.

There was no way the international community could accept that the territorial integrity of Georgia be called into question by means of unilateral decisions taken in Moscow!

Moreover, Russia has tried to justify its invasion by arguing that it was seeking to "protect Russian citizens" in South Ossetia and Abkhazia, something which has set a dangerous precedent, and given other former Soviet Republics - such as Ukraine and Moldova - which have sizeable Russian minorities, legitimate cause for concern.

The conflict in Georgia represented a decisive test of political cohesiveness for the European Union. The French Presidency of the European Union has played a very constructive role as a mediator in this conflict.

In contributing to a solution to the conflict, the European Union has demonstrated that its willing to honour its commitments under the EU-Treaty to defend peace and our shared values, as well as to strengthen international security and cooperation. Last week, the European Union will start deploying its 200-strong cease-fire monitoring mission in Georgia.

Altogether, the double challenge to the world we have been witnessing recently tends to corroborate the feeling that the current international system, created for a different age, different threats, and a different balance of world power, does not fully meet today's global challenges. No nation, neither the United States nor Russia, can insulate itself from these threats nor solve these cross-border problems alone. In this regard, the European Union can play a fundamental role.

The concrete challenges which need to be addressed are many and difficult – next to financial instability, energy security, global warming, migration, demographic change, as well as proliferating religious and ethnic extremism accompanied by terrorist acts, the global food crisis and the achievement of the Millennium Development goals. You will be looking at many of these questions - and many others – in the course of this ambitious conference.

Fortunately, not everything to reported about our world is dramatic. There is a positive side to this situation.

I would like to mention the growing accumulation and accessibility of human knowledge; the spread of democracy and democratic institutions beyond the Western World and the proliferation of international laws protecting the individual – this week, there is major conference in the European Parliament on the occasion of the 60th anniversary of the Universal Declaration of human rights. This Declaration, as well as the Geneva Conventions on humanitarian law, which will be 60 net year were a victory of our modern civilisation.

Legally speaking enormous progress has been made in ensuring minimum rules of humanity for every human being in every situation – even if the concrete implementation remains a major challenge and is very often clashing with the prerogatives of the states and their jealous protection of their sovereignty.

Even if the role of state sovereignty remains central, international law has evolved beyond a "law of nations" and is now becoming a law of "the individual" as well.

Another major feature of the transformation of international politics is the changing meaning of "security" and the emergence of new issues on the global security agenda, which include poverty, transnational crime, the global arms trade, and refugees and migrants.

All these issues reflect the increasing interconnectedness of people around the world and the proliferation of problems that no single state or group of states can resolve by itself.



In other words, all these issues defy easy resolution in a politically fragmented world and encourage new forms of interstate, transnational and supranational cooperation and coordination.

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The Role of the European Union in tomorrow's world

The current international security situation and the way it has evolved in recent years has led to a series of critical and hotly argued issues and points of friction between, first and foremost, the West and the Islamic world.

Some pessimists fear – or almost conjure into existence - a clashes among civilizations in tomorrow's world. I think neither constructive nor necessary, but one thing is sure: tomorrow's world is likely to be more complex and probably more unpredictable than today's.

The current fast changing patterns of power, wealth and identity seem to be accompanied by the perception that "we are not in control".

In the age of global challenges, the European Union is our response to these changes. In the European Union, we are working together and responding to the concerns of citizens with policies and a global strategy that will meet these challenges head on.

It is also time for us to recognise that, as Europeans, we have a shared interest in taking joint action and a common desire to shape the process of globalisation according to our common European values.

In this regard, I would like to focus briefly on some of the tasks carried out by the European Union - firmly supported by the Institution that I have the honour to represent - which could help to make the tomorrow's world less unstable and, therefore, less dangerous.

Promotion of Parliamentary Democracy

The European Parliament gives a high priority to democratisation and good governance in all its external relations. Developing strong parliaments is a fundamental requirement of democracy.

We are convinced that the development of parliamentary institutions and their sound functioning is synonymous with democratisation. One of the objectives of the European Parliament is to increase cooperation between parliaments at different levels, because by strengthening the parliamentary dimension we help to promote democracy.

Challenge to the climate change

Among the manifold challenges facing our societies, fighting climate change is perhaps the more pressing of all.

The Member States have reiterated its willingness to tackle climate change at the March 2008 Summit with a political agreement on the so-called "energy package", put forward by the European Commission last January.

Adopting the "Energy package" as soon as possible is also a matter of credibility. We want to be able to point to tangible results ahead of the global post-Kyoto Conference in Copenhagen in 2009.

The European Union's role as leader in the fight against climate change is not just about setting targets. If we want to be able to convince our partners worldwide to participate in a global and binding framework, we will have to deliver.

Respect of human rights

The European Union, as you know, is based upon and defined by its belief in the principles of liberty, democracy and respect for human rights and fundamental freedoms and the rule of law.



The belief in these values, and the strong conviction that every human being has an inviolable dignity, has significant consequences on the external action of the European Union. Promoting our values, human rights and democracy, and above all the respect for human dignity, is the hallmark of the European Union's external relations.

Importance of the intercultural dialogue

I would like to conclude by highlighting the great significance that the European Union and the European Parliament in particular, have attached to this 2008 European Year of Dialogue between Cultures.

The 'clash of civilisations' is avoidable; peaceful coexistence between cultures and religions is possible and of the greatest importance for our shared future. We build an intellectual and cultural bridge across the Mediterranean, based on mutual understanding and shared values.

Intercultural Dialogue must become an integral part of our policy-making. We believe that the promotion of cultural diversity is one of the more demanding challenges of this new century, along with environmental sustainability and with growing social inequality.

With this in mind it is significant that United Nations should consider "cultural diversity", together with biodiversity, to be mankind's common inheritance.

On the positive side, globalisation is bringing us closer together than any earlier technological advance, but adversely; any tensions can develop and escalate more rapidly into conflict.

That is why today the European Union, acting as a force for peace throughout the world, considers intercultural dialogue to be one of the most important elements of our peace strategy. On the basis of this experience, the European Union can, and will, set an example to the world as a whole and foster dialogue between cultures.

Thank you for your attention and I look forward to continuing these discussions with you