

SPEECH OF
Prime Minister of the Republic of Croatia Andrej Plenković
in the European Parliament
- Strasbourg, 6 February 2018 -

Dear Mr. President of the European Parliament,
Dear Vice Presidents, leaders of Political Groups,
Dear Members of the European Parliament,
Dear President of the European Commission,
Dear friends,

Introduction

It is good to be back!

It is my pleasure to see so many friends and to feel the positive atmosphere of Strasbourg.

It is my honour to be in the European Parliament to talk about the future of the European Union in my capacity as the Croatian Prime Minister.

This year Croatia marks its fifth year of membership in the European Union.

This is an opportunity to remember our demanding process of accession to the EU. This is also an opportunity to recall that on 15 January 1992 the then European Community recognised Croatia's independence.

This meant that after nine centuries Croatia returned to the political map of the world, at the crossroads of Central Europe and the Mediterranean.

The Croatian people remember that day and the day of Croatia's accession to the EU with emotions.

From Independence to EU Membership

The fall of the Berlin Wall symbolised the rejection of communism and the victory of democracy in the entire Central and Eastern Europe.

Although we also aspired to again be part of democratic Europe, times and events in the early 1990s were – for Croatia – extremely unfavourable and difficult.

At the end of the 20th century, in the heart of Europe, we were unfortunately forced to defend our freedom from a military aggression.

That painful period was permanently marked by the siege and destruction of Vukovar – the first European city destroyed after the Second World War, the shelling of medieval Dubrovnik, by thousands of people killed or wounded and by hundreds of thousands of those who were displaced.

In the war that ended in 1995, Croatia suffered damages totalling 150% of its pre-war GDP.

One can only imagine the extent to which this slowed down the transformation of our society and economy.

Although before the war Croatia was among the most developed economies in transition, it was because of all these events in the early 1990s that we lost pace and joined the EU in 2013 and not in 2004.

It took Croatia nearly quarter of a century to recover and fundamentally change and develop.

Croatia was reconstructed and rebuilt. It is today one of Europe's most attractive tourist destinations which was visited last year by 18 million visitors.

Today, tourism accounts for 20% of our GDP and we rank first in Europe by the number of tourists per capita.

As exceptional integral parts of European cultural heritage, invention and innovation, let me just remind of:

- the twenty-three sights and traditions from Croatia enlisted on UNESCO's lists of cultural heritage,
- the city of Rijeka which will be the European Capital of Culture in 2020,
- the Croatian tie which conquered the world a long time ago,
- as well as the Croatian-born Nikola Tesla, without whose inventions we would all be sitting in darkness here today.

Croatia is home to the production of one of the fastest electric cars in the world. Croatian company enable digital communication via text messages to 4 billion people globally.

At the same time, I am aware that many demanding structural reforms lie ahead of us. We need to implement them to ensure a better life for our citizens.

My government is decisive to do so. Today, we have positive macroeconomic indicators.

Croatia is experiencing economic growth of 3%, an increase in industrial production, investment and exports, as well as growth in salaries and social security benefits.

We have significantly reduced public debt and achieved a budget surplus. Today, Croatia has the lowest unemployment rate ever.

Coupled by government's efforts, this reflects positive effects of our membership in the European Union.

This is an additional impetus for us – as a government that won the election in 2016 with a pro-European program – to actively think about the future of the European Union.

My Vision of Europe

Ladies and gentlemen,

I invested twenty five years of my political life and professional career into making European values a part of modern Croatia.

My fellow citizens unfortunately know too well what war is, so they are more appreciative of peace.

Not so long ago, democracy was merely an aspiration, whereas today we live European values and freedoms.

We still remember well what it means not to have equal opportunities for economic and social development, freedom of movement, student exchange and exchange of technological innovations.

For this reason, today we clearly see the added value and the advantages that EU membership brings.

I see this personally even better since I participated in Croatia's EU accession negotiations actively and also led the referendum campaign for our entry into the Union.

During a whole year, this gave me an opportunity to be on the field and explain advantages of Croatia's membership to my fellow citizens.

In that sense, with my double experience – as Member of the Croatian Parliament and Member of the European Parliament, as well as that of Croatia's Prime Minister and Member of the European Council – I am fully aware of the different interests that attempt to weaken and fragment the European project.

Without losing sense of political reality, this is why I consider it key for us to work together to renew European ideas by making our common policies stronger and by spending our budgetary resources wisely.

The goal is for our fellow citizens not to be indifferent towards Europe, let alone to be against it.

On the contrary, citizens need to feel the benefits of Europe, they need to embrace it and actively participate in its further development.

This is first and foremost in their interest.

Our fellow citizens need to perceive more clearly the advantages that membership in the EU brings to their daily lives.

They also need to better understand the point of our actions, as well as how and why we act at the European level.

Finally, citizens need to understand that the ultimate purpose of these actions is to better serve the common interest, which is realised through our joint actions.

We must show by concrete deeds that European institutions work for each and every one of our citizens.

The only way to do so is with the support of the European Parliament.

For this reason, I would like to use this opportunity to present you with my vision for the future of our Europe.

I would like to reflect on the challenges ahead of us, on the need to strengthen our democratic legitimacy, on our external priorities and key internal policies which must be supported by adequate budgetary resources.

Ladies and gentlemen,

A particularly important opportunity to discuss the future of Europe was the meeting in Rome when we celebrated the 60th anniversary of the Rome Treaties and adopted the Rome Declaration to guide our common future.

It was on that occasion that the Holy Father motivated and encouraged us – European leaders – to give back hope to our citizens and to continue working to their benefit.

It was also in Rome that President Tajani held a magnificent speech on which I wish to congratulate him again!

Challenges

There are many challenges that we face on daily basis and that require us to adapt and reach strategic decisions.

These challenges are different: from the security ones – terrorism, cyber attacks, conflicts in our neighbourhood, challenges of demographic changes and increased migrations – to those associated with acts of nature, such as climate change, and those which emerge as results of globalisation, such as social inequalities or the digital gap.

Nowadays these challenges gain a different dimension and put in front of us a new task – ensuring that we respond to them together.

This togetherness must not be a mere sum total of Member States. Rather, it must be supported by our national particularities and our individual achievements.

It must also be reflected in our common policies and budgetary resources, as well as in the activities and synergies of European institutions and Member States.

Over the past couple of years, electoral processes across Europe were in good part marked by rising populism and euroscepticism, which is a direct result of the challenges I just spoke about.

After showing that we can cope with them successfully, it is important that we follow in those footsteps and strengthen our belief in the European project as we approach the election in 2019.

Brexit

Mr. President, ladies and gentlemen,

We must also work together to find answers to challenges posed by the United Kingdom's withdrawal from the European Union.

As I repeatedly said in my appearances before the referendum: I see this as a bad decision.

It was a lose-lose situation. For the United Kingdom. For the British people. For the European Union as a whole. As a European, I respect it, but I regret it.

The United Kingdom's exit is a result of populism and a campaign of disinformation which pointed to the consequences that the lack of information about the European Union has on the citizens.

I hope that the procedure according to Article 50 will lead to an agreement on orderly withdrawal to ensure legal security and clarity to citizens and business communities on both sides.

It is particularly important to settle the rights of citizens on the basis of equal treatment. This means that Croatian citizens also must be treated equally when it comes to their access to the United Kingdom's labour market.

We must maintain unity in the process of negotiations. Our future relationship should be based on our mutual interests.

Democratic Legitimacy

In the further development of the European project, it is important to ensure democratic legitimacy.

The European Parliament represents the strongest bond between decisions reached at the European level and our citizens, and this bond needs to be further strengthened.

I support the continuing application of the Spitzenkandidat concept, through which citizens can recognise the face and the ideas of the future President of the European Commission more easily – as it was the case with my friend, Jean-Claude Juncker, on the victorious EPP's list in 2014.

In the context of the discussion about the reform of the electoral law, we need to ask ourselves if – at the level of Member States – we are organisationally, legally and financially sufficiently ready to establish transnational lists.

I welcome the proposal on the new composition of the European Parliament according to which Croatia would gain an additional seat.

National parliaments play an important role in strengthening democratic legitimacy of the EU.

This is why in the Croatian Parliament I introduced the practice of plenary debates following every formal meeting of the European Council.

This gives me an opportunity to acquaint members of the parliament and the public with the most important European topics and thus contribute to the dialogue with citizens.

In our future work, we should must strengthen the application of the principles of subsidiarity and proportionality and reach decisions at levels closest to the people, which is why I welcome the establishment of a special working group to deal with these issues.

EU Enlargement

Croatia is proof of the transformative force, which the perspective of membership in the European Union carries. It is also proof that the EU is a peace project that strongly contributes to reconciliation and trust building.

It is precisely this attractive force that we must use to make our neighbourhood better and more resilient and thus make ourselves stronger, more secure and more prosper.

The European Union is still a community many wish to join.

This concerns not only countries of Southeast Europe and Turkey, but also countries from the wider neighbourhood.

We must fulfil our promises to candidate countries and to potential candidate countries. Equally so, those countries must fulfil the set conditions and criteria, they must undertake necessary reforms, and their accomplishments always need to be evaluated on individual basis.

Ladies and gentlemen,

I am happy to see that the European Commission is coming forward just today with the new strategy of enlargement for the Western Balkans.

In this strategy, particular attention needs to be devoted to Bosnia and Herzegovina which – like Croatia – also has a difficult path behind it.

This is a country of specific internal set up with three constituent peoples – Croats, Bosniaks and Serbs – in which their full equality, together with others, should be the foundation for the future.

Only embedded in European values can Bosnia and Herzegovina guarantee its citizens a secure and stable future.

A substantial part of its citizens wishes such a future.

And they do so on the basis of a fair electoral legislation.

In our European neighbourhood – in the eastern and the southern part of Europe – we face major security and political challenges.

It is in the strategic interest of all Member States to assist their neighbours in strengthening and building prosperous, peaceful, stable and – especially – democratic systems.

It is an investment in the protection and security of European citizens, too.

Global Challenges

Ladies and gentlemen,

Numerous challenges and threats require a stronger, more engaged and more assertive role for the EU in global relations.

The commitment to an international order based on the respect for democracy, international law, the rule of law and human rights is a key investment into strengthening the role of the Union as a global factor and promoter of multilateralism.

To achieve our global ambitions we need a stronger and more effective common foreign, security and defence policy.

Equally important is our development assistance through which we – as global leaders – contribute to achieving UN's sustainable development goals.

We have the resources to do so, and I believe we have the political will, as well.

External Security and Defence

Terrorist attacks on European soil and other threats show that Europe is vulnerable and that security needs to be dealt with both within Europe's borders and beyond.

The further strengthening of our defence capabilities and cooperation in the field of security and defence will contribute to that goal.

I welcome the establishment of Permanent Structured Cooperation in whose projects Croatia will also participate.

Strengthening cooperation and coordination with NATO remains key, bearing in mind that compatibility, synergy and effectiveness of joint actions must be ensured.

Internal Security

The protection of the European Union's external borders is one of our most important tasks.

Measures which we adopt to that end at the European level must ensure equal treatment of all Member States and all citizens.

The full implementation of systematic checks on borders between Member States with only one of them part of the Schengen area – such as the case of the border between Croatia and Slovenia and Croatia and Hungary – showed that this may pose problems for the freedom of movement of people within the European Union.

However, by open and honest cooperation, these problems were solved successfully.

Croatia is already contributing to the protection of the EU's external borders, and our next priority is becoming part of the Schengen Area.

In this context, we support Bulgaria and Romania becoming part of the Schengen Area.

Our ambition is to meet the Schengen criteria as soon as possible, thus opening doors to the political decision of the Council.

In this respect, we count on the European Parliament's political support.

This is important for Croatia, as well as the security of the entire European Union, and it should not be linked or conditioned upon other unrelated processes or issues.

Migrations

In recent years, migrations – in their security and humanitarian aspects alike – pose a particular challenge.

Although we note reductions in the numbers of entries into the territory of the European Union, we must maintain vigilance and continue investing in our own capacity to deal with those challenges. We must also continue assisting countries of origin of migrants.

Our success in dealing with this challenge depends on our success in reforming the Common European Asylum System.

Solidarity should remain one of key pillars of our action.

In this spirit, Croatia – a country in which 25 years ago every sixth citizen was a displaced person or a refugee – is meeting its obligations on the agreed relocation and resettlement.

Strategic Partners

Mr. President, distinguished parliamentarians,

In 2004, the European Union's GDP was a third of that of the world. Today, it is less than one quarter.

We need to continue with the conclusion of trade agreements with third countries because such agreements are an investment into further economic growth and prosperity of our citizens.

We must continue to strengthen our relations with key strategic partners. We must also deepen transatlantic ties.

Internal Market

One of our greatest achievements is our internal market.

It is at the heart of the European project and it is crucial for the competitiveness and growth of our economies.

After a couple of years of stagnation because of the global financial crisis and recession, we are again experiencing economic growth.

In Davos, two weeks ago, it was stated that the economies of the world, of Europe and also of Croatia are all growing.

It is important to keep this trend.

The implementation of measures that are part of the Single Market Strategy is our shared responsibility.

In the internal market, discriminatory practices of different standards in quality of food and other products must end – there cannot and there must not be two categories of consumers.

As we intensify measures to deepen the single market in all its aspects, the single market also needs to be adapted to contemporary challenges, especially the digital age.

We must develop a functional single digital market as soon as possible, to give an impetus to new jobs and to increase competitiveness, investment and innovation.

Croatia is contributing to this process by the development of public electronic services.

We take particular pride in services such as the electronic prescription in healthcare, which other countries also adopted, and the e-Baby service, which as of last week allows parents register their new-borns online.

Sector Policies

Employment and Social Policy

Mr. President, distinguished MEPs,

In 1960 – every seventh citizen of the world lived in the territory of what is today the European Union. Today, merely every fifteenth citizen of the world lives in the EU.

According to EUROSTAT's projections, in 2060, every twentieth citizen of the world will live in the same area.

This is evidence of the growingly negative demographic picture of Europe, which causes many challenges for our countries, including in the area of employment and social policy.

One of our achievements is our social model, which needs further improvement, while fostering dialogue with social partners and taking into account social cohesion.

The application of the principles of the European Pillar of Social Rights is before us. It is the basis for the establishment of a fair labour market, a fair social security system, as well care for our pensioners.

I believe that only by full implementation of the relevant acquis throughout the internal market full equality of Member States and their citizens can be achieved, which includes their access to the labour market.

Energy and the Environment

We need to continue building the European Energy Union and ensuring our citizens' access to sustainable, secure and affordable energy.

For the establishment of the Energy Union, the development of strategic energy projects aimed at diversification and security of supply is important.

I particularly point out the LNG Terminal project on the Croatian island of Krk, as a strategic project of my government and the European Union that will give Croatia a special place on the energy map of Europe.

At the same time, we need to enable the transition to the low-carbon development of the economy, and to work on the implementation of all the measures from the Paris Agreement.

The European Union should maintain its leading global role in promoting transition to clean energy.

In Croatia, in which in 1895 the first hydropower plant in Europe was built, two thirds of total energy production comes from renewable sources.

At the same time, in energy consumption, the share of renewable sources is already at 29%, which is close to the level that we set together for 2030.

Transport

For a sustainable European economy, transport connections have a key role – between parts of the European Union and with our neighbourhood.

The project for the construction of the Pelješac Bridge, connecting Dubrovnik with the rest of Croatia and the EU, carries the greatest strategic importance.

This project, as well as other visible projects funded by European Union money are best to bring the European Union closer to its citizens. This is why we are advancing policies to further better absorb EU funds.

Of course, all our goals, policies and ambitions and everything that we do require adequate financial resources.

In planning for the next Multiannual Financial Framework of the EU, we should therefore start from what kind of the Union we want. For me, this means the following:

1. Growth. European Union that ensures economic growth and development of its Member States, that is globally competitive and in which employment is growing, especially that of young people.
2. Cohesion. Union that supports balanced development of Member States and its regions, that builds economic, social and territorial cohesion.
3. Security. Union that provides security to its citizens, that protects its external borders and that is capable of responding to all security threats.
4. Research and development. Union that invests in education, culture, creativity, research and development, that adapts to contemporary challenges and the digital economy.
5. Finances. Union that is financially stable and sustainable, and that is capable of protecting its citizens from potential financial crises, guided in doing so by the principle of solidarity.
6. Global actor. Union that is a key political actor in global governance, with defence capabilities, that promotes free trade, leads in providing development aid, protection of the environment and fights against climate change.

In the next Multiannual Financial Framework the basic principle of financing needs to be the added European value.

We need to keep the elements of the current own resources system that work well and that reflect the principles of simplicity and transparency.

In the context of introducing new own resources, we should avoid burdening our citizens with new taxes.

The EMU and the Euro

Although still not a member of the euro area, Croatia wants to contribute to the further development of the Economic and Monetary Union.

In June 2017, Croatia exited the excessive budget deficit procedure and it now continues with the implementation of the National Reform Program to accelerate real convergence towards the euro area and to overcome excessive macroeconomic imbalances.

Joining the euro area is a strategic goal for Croatia.

The Croatian Government and the Croatian National Bank have presented the Strategy for the Adoption of the Euro in Croatia, thus opening up public consultations.

Croatia already meets almost all the criteria for the introduction of the euro and it is our goal to enter the ERM II exchange rate mechanism as soon as possible.

The Croatian Parliament ratified the Stability, Coordination and Management Agreement in the Economic and Monetary Union in January of this year, and in December 2017, I had the honour of participating for the first time in the Euro Summit.

The Future of the European Union

Mr. President, distinguished MEPs,

In conclusion, I would like to point out that our dialogue on the future of the European Union is as important as the outcome of this process.

We saw the reflection documents produced by the European Commission, we listen to our citizens, we talk to each other at the levels of parliaments and governments.

Many ideas are being discussed and different scenarios are being considered.

Our path to the future should be a way forward, not backward.

Croatia joined the European Union to stay a member, to work with other partners to further build and develop the European project.

Croatia – which longed so much to again be part of Europe – today wants to be part of its inner circle.

That is the reason behind our decision to participate in PESCO and that is the reason why our next goals are the Schengen and the euro area.

I wholeheartedly work on achieving these goals every day, convinced that this is the best for Croatian citizens.

In further building our future, equality is important to us – equality of states, equality of citizens, equality of opportunities.

For the credibility of the European project and our reputation in the world, it is vital that we act as a family, brought together by mutual trust.

It is very important that Member States that have different bilateral issues approach them in good faith and constructively.

Compromise is the building block on which the European Union was constructed.

Inclusiveness is also important for Croatia – no matter how fast or further we advance in these integration processes, each process should be open to all members on equal terms.

Our achievements are our strongest tools in building our future. They need to unite us because we can move forward only if we stand together.

Strong Europe primarily means strong Member States.

At the same time, pooling of sovereignty at the level of the European Union makes our countries stronger for their benefit, as well as for the benefit of our fellow citizens.

We also want strong European institutions that – based on their treaty powers – work for the benefit of every citizen of the Union.

Presidency in 2020

Croatia's Presidency of the Council in 2020 is an opportunity for to further build and promote the European project.

Our priorities will be growth, development, connectivity and enlargement.

I look forward to working with Romania and Finland within the Trio and intensive cooperation with the European Parliament.

Croatia will be taking over the Presidency after the formation of new institutions and our task will be to bring forward our European project.

With its values and freedoms, quality and the way of life and the highly competitive social market economy, Europe needs to reassert itself as a role model that will inspire people across the world to build a better future.

It is upon us all to deliver!

Thank you.