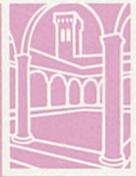


PORTUGAL AND EUROPE AT THE END OF THE TWENTIETH CENTURY



by His Excellency Aníbal Cavaco Silva

Florence, 24 November 1989

EUROPEAN
UNIVERSITY
INSTITUTE

TWELFTH
JEAN MONNET
LECTURE



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by Portugal's Prime Minister
Professor Dr Aníbal Cavaco Silva

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**Introduction by Mr Émile Noël,
Principal of the
European University Institute**

Mr Prime Minister,

The European University Institute is delighted to welcome you here today. Your coming here honours us, and is at the same time the confirmation of Portugal's accession to the Florence Convention. Without the presence of Portugal in the Institute, we would be lacking a whole segment of the history and culture of Europe.

Mr President of Senate,

Please accept our warm thanks for having come along to take part in the welcome we are giving to Prime Minister Cavaco Silva. The Institute is your Institute too — I do not forget that you are still a full member of our High Council — and we have never lacked your friendship and your support. Your attendance here is yet another proof of that.

Your Excellencies, ladies and gentlemen,

The fact that you have come here for the 12th Jean Monnet Lecture, marking the opening of the academic year, shows both your esteem for our eminent guest, the Prime Minister of Portugal, and the sympathy you bear the Institute. We thank you with all our heart.

Mr Prime Minister,

In coming to the European University Institute, you are coming onto ground that is familiar to you. There is

scarcely any need here to recall that your career has been primarily an academic one, firstly as a researcher, and holder of a Ph.D. from the University of York, then of a doctorate from the Higher Institute of Economic and Social Sciences in Lisbon. Your thesis at York was 'A contribution to the theory of macroeconomic effects of public debt' — a subject still a current one today.

Your career continued as professor, at the Catholic University of Lisbon and then at the New University of Lisbon. As economist, author of many publications, director of the journal *Economia* and director of studies of the Bank of Portugal, you combined a solid academic background with practical knowledge of the problems of your country. There then began your national destiny: deputy, Minister for Finance, President of the National Planning Council, and then Prime Minister, after the tragic accident that plunged Portugal into mourning.

You took up that august post shortly before Portugal became a member of the Community: it was you, then, who guided its first steps there. Portugal's membership in the Community, despite the precautions and safeguards in the Act of Accession, was a challenge. Portugal took up that challenge under your leadership with determination and imagination. Belonging to the Community was an opportunity to reform the economy, to set new goals for the Plan, to speed up modernization of infrastructure. You fought to secure substantial aid from the Community — and your country has shown that it knew how to utilize that, not merely as an instrument of progress, but as an incentive, as a multiplier of progress.

Portuguese researchers are already working at the Institute, and after your visit I am convinced that we shall, next academic year, have more Portuguese applications and more new Portuguese students. The Institute will, I hope, thereby be enabled to provide an international opening and a European training for some of your best students and researchers, thereby making its own contribution — albeit modest — towards letting your country, which played such an outstanding role in the past in extending the frontiers of Europe on a world scale, play up to the hilt its part as a full member of the new Europe.



This role of Portugal, this future of Portugal in Europe, is the very subject you propose to deal with here before us. That is, Portugal's future, which is both European and broadly open to the world, in a Europe that will be more coherent and more interdependent. The success of your country in an organized Europe has even more significance at a time when the other half of Europe is freeing itself and is turning towards the Community, expecting solidarity and fraternity from it.

Mr Prime Minister, I have talked too long already. Everyone is waiting to hear what you have to say. Once again, welcome to the European University Institute.



**Twelfth Jean Monnet Lecture,
delivered by His Excellency
the Prime Minister of Portugal,
Professor Anibal Cavaco Silva,
at the European University Institute,
Florence, on 24 November 1989**

**Portugal and Europe at the end
of the twentieth century**

Mr President of Senate,

Mr Principal of the European University Institute,

Ladies and gentlemen,

In the first place I should like to thank the Institute through its Principal for this gracious invitation to me to address all those who, in this academic institution, are pondering on Europe and its pathways. This Europe has an honourable past behind it, is asserting itself in the present and is heading hopefully towards the future.

A recent member of the European Communities, Portugal has now, a few days ago, deposited with the Italian Government the instrument of accession to the European University Institute. That accession will, I believe, be formalized within a few days.

Now that it includes all 12 Member States of the Communities, the Institute will be strengthened in its vocation as a privileged instrument for the preservation and dissemination of Europe's intellectual heritage.

I further wish to thank the Principal of the Institute, Émile Noël, for his kind words about myself, and very specially for his references to my own country.

I wish also to be a spokesman for the esteem of all Portuguese for Émile Noël's many activities in favour of the European ideal and of the construction of Europe. His work in the Commission and his post of distinction now in this Institute make him deserve our respect and our gratitude.

Ladies and gentlemen,

I have come to Florence to consider along with you the prospects, the experiences and the challenges facing Europe at the end of this century, as well as the role Portugal may play in forming the new European identity and in vital links with other peoples and other continents.

It is Europe that brings all of us here together, through its history, its political, economic and social structure, its manifold cultural expressions, its ideals and its future.

I hope that you will be able to see my words today as not merely the statement of a politician, but also the thought of a European and an academic who has always found in education and in the university the intellectual stimulus that leads to the constant search for new knowledge.

I propose to start by speaking about Portugal and about the aspirations of the Portuguese.

One of the oldest nations in Europe, independent for more than eight centuries, with frontiers unchanged for more than six — perhaps a unique case in the history of humanity — Portugal 500 years ago turned to the sea and to worlds as yet unknown. That was the start of world-spanning navigation and of the feat of discovery; it was the Portuguese, profoundly European, who were the first to bring the culture of Europe to the remote areas of the world they were discovering. I regard it as particularly meaningful to recall that page of the history of my country right here in Florence, the outstanding example of the culture of the Renaissance, the Renaissance that the Portuguese navigators took to Africa, to Asia and to the Americas.



The Portuguese were at the same time agents of contact and exchange among different peoples, cultures and civilizations, enriching the world with the meeting of those civilizations, and enriching Europeans with the learning they gathered in other areas. After the end, a decade and a half ago, of the phase that my country knows as the period of empire, Portugal was able to conserve the unique links forged down through history with the peoples of other continents. I would even say that these links and that heritage constitute one of the essential contributions that Portugal brought along into the European Communities, thereby enriching them. That contribution includes the world's fifth most spoken language, Portuguese; privileged relationships with Africa, particularly with the five countries that use Portuguese as an official language; the intense, fraternal bond with Brazil; our Atlantic dimension and our capacity for dialogue and communication between North and South.

The decision to join the European Communities, taken in 1977, three years after the restoration of democratic institutions, reflected the Portuguese people's unmistakable choice in favour of pluralist democracy, and its simultaneous clear rejection of the pre-1974 regime of dictatorship, as well as of the communist-inspired revolutionary period that followed.

Joining the European Communities was, accordingly, and remains today, a matter of broad consensus in my country — only the Communist Party opposed it — and has represented an important factor for consolidation of the democracy which is the firm basis of our life in Portugal today.

Over and above these two aspects of the specific features of Portugal — the transition to a 'post-imperial' phase and the transition to democracy — I should like to emphasize a third factor bound up with Portugal's degree of economic development, which still lags behind the European average.

It is important to highlight this aspect, since two positions were identified before accession, and continue today to be possible in the face of the multiple challenges that Europe puts before us.

One of those is the negative, timorous attitude that Portugal might come to be steam-rolled by Community competition and not stand up to the goal of 1992.

The other is the positive, stimulating attitude that sees joining Community Europe as a great opportunity to give decisive impetus to the country's modernization and economic and social development.

In their four years of membership in the Community, the Portuguese have already shown that they have adopted the second position.

I have to say, moreover, that the four years that have now passed show that membership constitutes a very positive stimulus for my country. My governments, which have been majority ones since mid-1987, have carried out thorough modernizing and liberalizing reforms, constantly put off in the past, with an eye to the Europe of 1992. The business world is reacting in the best possible way, by investing on a large scale, joining up with foreign investors, exporting more and renewing the industrial fabric.

Portugal is today living through a climate of confidence and optimism.

However, today's Europe is no longer the Europe that Portugal joined in 1986. The reference framework of the Community is not the same, nor are the political conditions, changed by the recent developments taking place in the societies of the East. Three years ago there was much talk of 'Euro-sclerosis'. Today Europe is back at the centre of the world, asserting itself increasingly to the outside and strengthening within our frontiers the political will to deepen the European construction.

The development of events has proved Jean Monnet right. He said that 'the unification of Europe has an importance for civilization that goes beyond security and peace. Europe is at the origin of the progress from which we all benefit, and Europeans, through their creative spirit, are capable of making as great a contribution to the development of civilization as they have done in the past. But to allow this creative spirit to develop anew, we must bring about union.'



Almost from its first day as a member of the Communities, Portugal saw itself facing a twofold challenge: to manage to administer properly the transitional periods negotiated for various social and economic areas by speeding up the pace of catching up on structural lags; and simultaneously to prepare for the great single market of 1992 which was already changing the rules we had adhered to.

I have always maintained, as is stated in the Single Act, that the achievement of an internal market coinciding with the frontiers of the Twelve must go hand-in-hand with the bringing about of economic and social cohesion in the Community area, not only as a form of expression of solidarity among the various regions, but also to avoid economic and financial imbalances or even social tensions that readily take on political shape.

As a genuine qualitative leap in the process of European integration and union, the Single Act, which we are putting into execution daily, is also adopting other expressions, to which we assign great importance: the social dimension, scientific and technological cooperation, defence of the environment, strengthening of monetary cooperation.

These manifold objectives are intimately bound up with the daily life of Europeans, and we can assert that the construction of Europe will certainly take on more concrete, direct expression with the freedom of movement of persons, goods, services and capital.

We are all becoming increasingly more European, without at the same time ceasing to be what the centuries have made us into.

In the full course of realization of the Single Act, encouraging prospects are now opening up for a new, decisive move towards the strengthening of Europe: economic and monetary union. It will, in order to become fully a reality, require amendment of the Treaty of Rome. Its first phase will begin on 1 July next year, as was decided at the European Council in Madrid.

It will be needful to ponder the significance of all these changes, not only as far as the Twelve are concerned but

in the actual projection of Europe's image and role in the world.

I see the ultimate significance of economic and monetary union as being the historically and politically appropriate occasion for endowing the European Communities with the necessary instruments for pursuing a number of objectives.

Firstly, there is balanced internal development, which will tend towards a cohesive, single space, and the securing of adequate levels of economic growth, prosperity and sustained progress along the line that has been pursued these last five years.

A second objective is financial and economic stability on a Community scale, with repercussions on the great international markets, and hence the reaffirmation of Europe as an economic leader on the same level as the United States and Japan.

Furthermore, I have already on various occasions drawn attention to the importance of the social dimension of this new Europe we are building, for I believe that Europe must also be regarded as a social area, as a near-perfect example of equilibrium between the rules of the market and social justice.

Accordingly, I believe that the Community Charter of Fundamental Social Rights, or Social Charter, which is still the object of discussion at a number of Community venues, ought not to distort the beneficial effects of the market and of competition, since the economies of each country have to see to their own competitiveness, but should be an instrument of a social nature, bringing the social policy of the Member States of the Community simultaneously into one framework.

Europe cannot be built at varying speeds, on pain of frustrating the expectations of Europeans, fomenting internal tensions detrimental to the whole, and creating differing futures for one and the same European union.

It is therefore important for us to manage to set in perspective the new horizons, by maintaining the political will to strengthen the European Communities. The present reshaping of the face of Europe and the pending



and foreseeable applications for membership raise the question of the politically appropriate moment to consider them. Attention must at the same time be paid to the danger of diluting the Community's internal coherence and to the effort under way to apply the Single Act and construct the internal market and the economic and monetary union.

Portugal is not opposed to future enlargements of the Community, but it is our opinion that it is only after 1993 that it will be possible to consider the matter calmly, without frustrating the hopes of those who approach us but bearing in mind the need to consolidate the dynamics of the process in hand.

Ladies and gentlemen,

The growing movements of reform and democratization in the countries of Eastern Europe have already transformed the situation in today's Europe and may lead us to a new political geography.

In the ideological sphere, the winds of freedom and democracy affecting the regimes of the East are synonymous with the doctrinal bankruptcy of the conceptions of collectivist Marxism.

We ought to congratulate ourselves, all of us who defend the great values of liberty, tolerance, pluralist democracy and respect for human rights. And we must also express our solidarity and support for the populations of the countries of Eastern Europe struggling for democratization, for an extension of freedoms and for thorough economic reforms.

But adequate responses must be found to reflect the new realities in the European and Community sphere and at geo-strategic level.

One possible immediate response by Community Member States will be to give practical effect to our solidarity through financial assistance to some of the Eastern countries, so as to enable them to cope with the pressing needs and with the training of their personnel, and in the medium term, support for the conversion of their economic structures and the carrying out of a programme of

structural adjustment to mobilize the intrinsic resources of each country. The proper formulas to supply this assistance in practice have still to be found, but it has been decided on politically; it must above all be pragmatic and offer practical solutions for each case.

It is necessary to bear in mind that the evolution of the Eastern countries must be an all-round matter, on the level of economic reforms, but also of democratization, of the legal system, of respect for freedoms and for human rights.

We cannot allow our increased cooperation to promote the setting up in the East of variable-geometry societies, which on the one hand liberalize the economy and open frontiers, only to continue on the other to deny elementary rights and free democratic expression.

Ladies and gentlemen,

At the level of the European Community, I feel it is important to affirm clearly the desire to continue, and even to accelerate, the strengthening and deepening of European union. Europe must preserve the gains already made, and continue building up the internal market and the economic and monetary union.

On the other hand, we must manage to safeguard the relations we have with the EFTA countries, our privileged partners at European level, with which we maintain an institutional dialogue, sharing as they do the same political and ethical values as ours.

I wish also to draw attention — and it will hardly be surprising that it is Portugal that does so with some emphasis — to the need to retain the special relationship that links us with the African continent. The countries of Africa are still in a situation of development that calls for various forms of economic, financial and technological assistance, within the Lomé framework and also bilaterally.

The fight for freedom is a primary task that we must all take up. But the fight against underdevelopment cannot be a lesser task, since it means combating a violation of the elementary rights of the human individual.



We cannot allow the growth of the false idea that attraction towards the new societies sprouting in the East may deviate the European Communities from their important historical and political mission of support for the less-developed countries.

Nor must we allow the erroneous notion of a 'fortress Europe' to grow, in connection with the future single market. This is a concern of the Americans and Japanese, but also, and particularly, of the Latin American countries.

Community Member States cannot forget the historical and cultural bonds linking them with Africa and Latin America, which take on a special dimension in terms of political cooperation among the Twelve.

Europe must manage to be credible and to take on its political responsibilities in every direction, preserving the power of initiative but respecting commitments.

Another aspect it is important to bear in mind is the security of Europe in the 1990s, lying in the present balance of East-West relations.

I wonder, moreover, whether the system that emerged from the Helsinki Agreements of 1975, in their various aspects, will for much longer continue to maintain full actuality or whether on the contrary it might become necessary to review that system, at least in part, in the medium term, in accordance with the rate that the changes in the East take on.

The security of Western Europe concerns us all. Portugal has brought the European Communities something of which it already assured NATO, Atlantic strategic depth.

In the present phase of changes in the East, I feel it is decisive to maintain the cohesion and strength of the Atlantic Alliance, which have made possible the evolution and the transformations we are seeing today. The Soviet Union and the Warsaw Pact sat down at the negotiating table to cut the various types of weapons because the Allies were united.

The consistency and cohesion of the Allies, the clear definition of NATO's objectives, the close ties between the European pillar and the North American pillar, our

initiatives as regards détente, were decisive causes of the shifts by the Soviet Union and likewise of the evolution taking place in the East. The cohesive framework of the Atlantic Alliance continues to be essential for us to respond to the new challenges taking shape, as is affirmation of the close ties between Europe and the United States in the Atlantic Alliance, the sole means of maintaining the credibility of our defence system.

Ladies and gentlemen,

I wish to close by returning to the theme of the University and the European heritage that unites us all. The cultural space of Europe grew beyond our own dimensions, and Europe can today be seen in many other areas of the world, which in turn influence us.

I believe that our historic heritage is the best guarantee of the ability we have to create our own future.

For that reason I wish to propose to the European University Institute, which is welcoming Portugal as a member country, to look into the possibility of incorporating into its range of projects a seminar on navigations, discoveries, cultural relations and meetings of civilizations. It would study the European navigations of the fifteenth and sixteenth centuries, the European dimension of the discoveries, their antecedents, the art and heritage of Europe built up outside Europe, the cultural relationships established then and the development of the links between Europe and other non-European areas and cultures.

Our contribution to the construction of the Europe of the coming century must not be merely political, economic or social. I believe that the cultural dimension is essential in order to unite Europeans in a development process where history becomes a decisive factor.

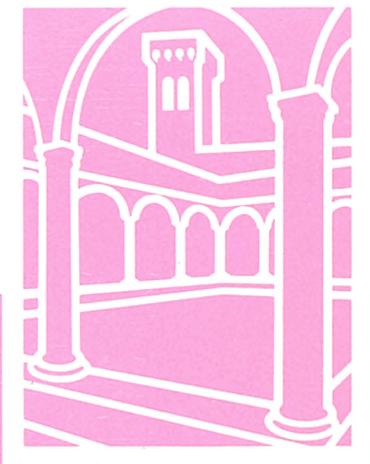
The history of Europe at the end of the twentieth century will be marked by the initiatives of the European Community and by the changes taking place in the Eastern countries. The construction and strengthening of European integration are becoming increasingly less of a mirage, and are being affirmed as a political reality that



marks the life of Europeans and reflects on all mankind. At the same time, we are engaged in designing the Europe of the future, which must manage to respond to the aspirations of new generations, in the areas of politics, maintenance of security, the new economic realities and social justice, in the affirmation of culture and in technological progress.

I am sure that it will be a new Europe — a Europe with a human dimension.





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