

CFSP WATCH 2003

NATIONAL REPORT DENMARK

by Jess Pilegaard

1. Basic views

Mainstream political parties in Denmark are supportive of the CFSP and the efforts to strengthen the co-operation (the position of the Danish government – as supported by the most important opposition party – is enclosed as annex I). Political parties on the far right and far left are less enthusiastic of Danish EU membership and the efforts to strengthen the CFSP. Priority CFSP issues for the Danish government include the Middle East, the Balkans, human rights, arms control/non-proliferation, Russia etc. (See annex II on the foreign policy priorities of the Danish Government).

2. National perceptions and positions

There is a marked difference between the everyday workings of the CFSP (as administered by the Danish Ministry of Foreign Affairs) and the popular media coverage of the CFSP. At the administrative level, the CFSP has become part and parcel of the Danish foreign policy practice. Whenever a new foreign policy issue emerges, the instinctive reaction in the Ministry of Foreign Affairs is to consider the views of salient EU partners and assess the possibilities of developing a common position. The vast majority of all CFSP issues are fairly uncontroversial (from a Danish point of view) and constitute an increasingly important part of Danish foreign policy.

At the public level, however, attention is focussed on the limited but major CFSP issues that provoke division rather than unity. This focus is arguably heavily influenced by the media's emphasis on highly politicised foreign policy issues. In public/media parlance, the political 'disunity' of Europe has almost become a truism. The recent divide over the war in Iraq was not perceived as particularly surprising failure for Europe. On the contrary, public expectations towards European political unity are rather modest.

The public scepticism towards the CFSP/ESDP should be seen against the general Danish experience of European integration. The European Community/Union was always presented by Danish politicians and perceived by the Danish electorate as a non-political, technical-economic co-operative project. The EEC/EU was all about bacon prices and increased trade. The electorate was from the outset wary of European political co-operation – especially in the highly sensitive areas such as defence. Danish politicians have consequently shied away from this field, the ultimate expression of this strategy being the Danish "opt-out" from the TEU provisions on defence.¹ Changes have been underway for some years, with public opinion

¹ According to the Protocol on the position of Denmark to the Amsterdam Treaty "*Denmark does not participate in the elaboration and the implementation of decisions and actions of the Union which have defence implications, but will not prevent the development of closer co-operation between Member States in this area. Therefore Denmark shall not participate in their adoption.*"

becoming increasingly supportive of an ESDP, but the legacy of the past still weighs heavily on the Danish EU political debate (i.e. will an ESDP weaken NATO?).

Academia has not been very active on the CFSP, but interest does seem to be picking up, with new research networks on the EU as a global actor emerging. In general, however, academia has not been active in shaping or promoting a national CFSP strategy.

The Danish government follows a relatively pragmatic approach, with a preference for a strong security partnership with the United States in the NATO alliance. Basically, to the Danish government, the CFSP and ESDP do not offer viable alternatives to the hard security guarantee provided by the United States and NATO. Denmark has therefore traditionally attempted to ‘ride both horses’, with different governments at different times having varying preferences for the one or the other.

The following excerpt from a speech given by the Danish Prime Minister² is instructive:

“The scope of these disagreements [over Iraq] should not be played down in a matter of such seriousness.

But neither should they be blown out of proportions. We are definitely not witnessing the end of our Common Foreign and Security Policy. We on our part are certainly not in the business of weakening the CFSP.

If any conclusion can be drawn from recent events it is that the Common Foreign and Security policy must be based on present day facts and realities and not on dreams of a distant future.

We do not have a “single” European foreign policy. We have a “common” policy to the extent possible. And this extent is defined by the Member States and their national interests. This is especially true for the large Member States with global interests.

So our starting point must therefore be that the foreign, security and defence policies of the EU continue to be based on co-operation among the Member States. The so-called intergovernmental co-operation, firmly anchored in the Council.

But, within this framework of intergovernmental co-operation, we should strive to make foreign, security and defence policies as common as possible.

And why? Because it is in the interest of us all that the EU develops a military capacity capable of carrying out peace-keeping and humanitarian tasks on the European continent. The Western Balkans are a prime example. And it would indeed strengthen European influence on the international scene if we were able to achieve a common position.

² “The Danish EU Presidency and the Enlargement Deal”, Speech given by the Prime Minister of Denmark, Mr. Anders Fogh Rasmussen, at the Danish Institute for International Studies, 24th March 2003 (see <http://www.stm.dk> for the full text).

So while accepting that we may not always speak with one voice, we have a vested interest in giving the EU's foreign policy coordinator as strong a position as possible. Today, we have a so-called High Representative, anchored in the Council. At the same time, we have a commissioner who is responsible for external affairs. Perhaps we should merge the two posts into one - having one single foreign policy representative. As foreign policy will remain a primarily intergovernmental matter, I think it only logical that the EU foreign policy representative should be anchored in the Council.

This is not a question of strengthening the EU at the expense of transatlantic co-operation. Quite the contrary. We have a vital interest in close and strong co-operation between Europe and the USA. But, at present, the Western world is faced with challenges that make it necessary for Europe to stand on its own feet and make its own contribution. This is not only in our interests, but also in the interest of the USA.

Strong transatlantic relations are vital to Europe. We must not fall into a trap of trying to build a strong Europe as a competitor to the US. We should build a strong Europe which is a reliable and solid partner for the US allowing us to meet the many important challenges together."

The Danish government is thus supportive of the further development of the CSFP, incl. ESDP, provided that this does not jeopardize the transatlantic relationship.

In this sense, the Danish government would not share the concerns voiced by the continental European powers over the coming enlargement of the Union. The 'new Europe' is generally more 'Atlanticist' in outlook, and thus closer to the Danish position.

On the vast majority of all CFSP issues, Denmark is a keen supporter of increased European co-operation (in the UN, vis-à-vis third parties, etc.). Being a small power, Denmark has a strong interest in shaping common EU positions on issues of national interest. A number of areas are – however – somewhat sensitive. As explained above, the Danish government is keen on safeguarding and bolstering the transatlantic relationship, and thus wary of European efforts that may lead to competition with NATO and thus weaken transatlantic co-operation.

3. European Convention: Reform of EU External relations, CFSP/ESDP

See the annexed paper on the position of the Danish Government.

4. Mapping of activities

Key researchers in the field of CFSP/ESDP include (the list is not exhaustive and the names appear in random order):

- Professor Ole Wæver, Institute of Political Science, University of Copenhagen
- Jean Monnet Professor Bertel Heurlin, Institute of Political Science, University of Copenhagen
- Jean Monnet Professor Knud-Erik Jørgensen, Institute of Political Science, University of Aarhus

- Researcher and Programme Co-ordinator Mikkel Vedby Rasmussen, Danish Institute of International Studies
- Visiting Scholar, Head of Section, Ms Lisbet Zilmer-Johns, Danish Institute of International Studies
- Associate Professor Ms Lene Hansen, Institute of Political Science, University of Copenhagen
- Senior Researcher, Ms Ulla Holm, Danish Institute of International Studies
- Associate Professor Morten Kelstrup, Institute of Political Science, University of Copenhagen
- Research Director Gorm Rye Olsen, Danish Institute of International Studies
- Professor Finn Laursen, Institute for Political Science, University of Southern Denmark
- Associate Professor Ms Marlene Wind, Institute of Political Science, University of Copenhagen
- Associate Professor Anders Wivel, Institute of Political Science, University of Copenhagen

Annex I

THE CONVENTION ON THE FUTURE OF THE EU

Unofficial translation

One Europe

More effective, inclusive and democratic

March 2003

I. The nature and values of the EU

Europe, for centuries marked by destructive conflicts and wars, is now more united than ever before. As a result the EU will play a decisive role in the future development of Europe.

Denmark wants the EU to be a strong community of nation states that have chosen to solve a number of cross-border tasks together. A EU based on effective institutions while respecting the national identity of the Member States. A EU where decisions are taken as openly and as closely to the citizens as possible.

The EU must build on the values shared by the Member States. These comprise the fundamental principles of freedom, equality, democracy, the rule of law, solidarity and respect for human rights.

In deciding to enlarge the EU with 10 new Member States from 2004, the nations and peoples of Europe have made an historic decision that marks the beginning of a new era in European cooperation. We must ensure that the enlarged EU remains capable of taking decisions. At the same time we must create a simpler basis for the Union.

In the future the EU will occupy an increasingly central place in Danish foreign policy. Denmark has gained new opportunities. The question of whether or not we should be in the EU should no longer be an issue. Instead we should, openly and without prejudice, discuss the way in which the EU should develop.

Denmark is extremely dependent on positive developments in the EU. Therefore we must influence these developments energetically and proactively.

II. More cross-border challenges

The EU: A binding community that ensures peace and stability in Europe

The EU was created first and foremost to undertake the tasks that we can best exercise together. In other words: the areas where problems are truly of a cross-border nature. This is why it is important that in the EU of the future we strengthen the areas where the best solutions are found by working together.

The internal market, competition policy and combating state aid must function as efficiently as possible. It is necessary to continue improving the competitiveness of the EU by implementing the necessary structural reforms in accordance with the

Lisbon Strategy. This can create the framework for greater growth, more and better jobs, and more prosperity in Europe. The internal market should continue to be balanced by a social dimension in the EU consisting of ambitious minimum rules that can protect workers and enterprises against unfair competition and social dumping. We shall continue to strengthen contractual relations between the social partners and the social dialogue at the European as well as the national level. We must become better at fighting unemployment by enhanced co-ordination of our employment policies across the borders. Effective co-ordination of economic policy is a precondition for reaping the full benefit. The common commercial policy should be designed so that European political and economic interests can be strongly safeguarded in international fora, where the liberalisation of trade with the developing countries is a central objective, not least in the WTO. The common agricultural policy must be radically reformed in the coming years: the markets must be set free, subsidies reduced, and sustainable development placed at the centre of the common agricultural policy. EU environmental policy shall be further developed and improved by integrating environmental consideration into sector policies and laying down stricter environmental requirements in line with the precautionary principle. We must ensure fundamental rights, including workers' rights.

The development of recent years has shown that we are also faced with new challenges that have a cross-border nature. The new Member States will be expected the EU to be strong and effective in these areas. Therefore, cooperation must be strengthened.

Freedom, security and justice

The number of refugees seeking asylum in Europe, increased cross-border crime, and terrorism have enhanced the need to secure Europe as an area of freedom, security and justice.

A new Treaty must create a stronger and more efficient framework for cooperation concerning refugees and immigrants, illegal immigration, combating international crime, and for cooperation between police and prosecution authorities. The provisions of the Treaty must be simplified and improved.

These new areas are not identical with the classical fields of cooperation on all points. This is why we must ensure that the provisions allow for disparities between the countries, as is the case in other areas.

Denmark is prepared to consider strengthened European cooperation concerning combating terrorism and common handling of refugee questions.

The EU and the rest of the world

The EU has accomplished the major task of reuniting Europe. We must therefore now look increasingly outwards. A strengthened role of the EU in the world must be developed in a continued strong and close cooperation between Europe and the USA. The EU must be capable of shouldering its full global co-responsibility as an actor bringing about stability, development and democracy within and outside Europe on the basis of European values. Europe must take on greater responsibility for its own security.

We wish to maintain the intergovernmental nature of the common foreign and security policy. Experience has shown that it is unrealistic to imagine that the Member States will always speak with one voice. Nevertheless, we must improve our cooperation. It is not merely in the interest of Denmark, but in the interest of all countries, large as well as small, that the EU states strengthen their cooperation in this area to a higher degree. This promotes predictability and gives greater weight in international questions.

We will work for a stronger and more effective foreign and security policy cooperation in the EU. The EU must become better at making use of all instruments – economic, political and military. Better cohesion in the conduct of the EU vis-à-vis the rest of the world must be ensured.

This can take place by strengthening the present position of the foreign policy coordinator. Therefore, we wish to gather the aspects of the EU's foreign and security policy undertaken by the Commission, and the aspects undertaken by the foreign policy coordinator, under one person. This "EU foreign representative", who should be based in the Council, should be given formal right of initiative in the area of the common foreign and security policy.

At the same time, the decision-making procedures in the area of the common foreign and security policy must be simplified and made more flexible. The existing framework must be better utilised. The growing need for Europe to speak with one voice in the world means that we are open to greater use of majority decisions.

The common defence policy must also be strengthened. It is in the interests of Denmark that the EU develops a military capacity to undertake, inter alia, peacemaking and humanitarian tasks. Such capacity is a necessary supplement to the economic and political instruments in the area of security policy. The decision to deploy the military forces of a country will, of course, continue to be a national affair.

The welfare state in a globalised economy

The Danish welfare state is an asset in a globalised world. The welfare state contributes to social protection and a high level of education, thus contributing to a competitive, knowledge-based Danish economy.

Globalisation entails great opportunities for Denmark. We can only exploit these opportunities in close cooperation with others. This makes the EU a central instrument. In the enlarged EU there will be a great need for a well-functioning internal market and for co-ordination of economic policy, economic policy remaining a national responsibility. This is a prerequisite for strengthening employment and maintaining and developing our welfare society.

The Euro is an important element in this regard. The Euro was introduced on 1 January 1999 and became a physical reality on 1 January 2002. The exchange rate of the Danish Krone vis-à-vis the euro is fixed in European monetary cooperation. The Euro provides effective protection against international currency speculation. To meet the challenges of the future, it is necessary to improve economic co-ordination and strengthen the monitoring of economic policies. We must secure a strong, stable common currency – the Euro.

III. A new and simpler basis for cooperation

We want a more simple and a more comprehensible Treaty. It should be called a “Constitutional Treaty”. A “Treaty” because the EU constitutes binding cooperation between states which have chosen to exercise part of their sovereignty in a binding community. A “Constitution” because we wish to lay down and clarify the rights of the citizens and the Member States in relation to the EU in the areas in which the EU has competence. Such a Constitutional Treaty will, of course, not replace the national constitutions but will supplement them at EU level. In this connection, four central issues should be emphasised:

- *Firstly*, it should be made clear that there are distinct limits to the competences of the EU. Therefore, we shall work for a proper title on the competence of the EU in a new Treaty. Such a title should, in language that is clear and easy to understand, illustrate the fundamental principles for the tasks that the Member States have attributed to the EU.

This applies to the principle that the EU may only act where the Member States have given their consent. It implies getting out clearly that in the vast majority of areas, the EU shares the competence to regulate with the Member States, and in other areas can only support, supplement and set up common objectives. It applies to the principle that in exercising its competencies the EU must respect the national identity of the Member States. Finally. It applies to the principle that the EU may only regulate if this will lead to better solutions than if the regulation were to take place in the individual Member States. Therefore the principle of subsidiarity must be strengthened, inter alia by the establishment of a control mechanism that involves the national parliaments.

- *Secondly*, a better framework must be created for involving the national parliaments at European level. The national parliaments give the EU the necessary democratic legitimacy and ensure its continued anchorage in the Member States. It is important that this is also clearly reflected in the new Treaty.

It is a natural task for the national parliaments to monitor the implementation of the principles of subsidiarity and proportionality. Should a certain number of national parliaments find that a legislative proposal does not comply with these two principles, it should be possible for them to halt such a proposal.

In parallel with such a task, there will be a need for the national parliaments to co-ordinate and develop their mutual contacts. This is where the so-called COSAC cooperation can play an important role. Denmark would like to see a reform of COSAC in order to strengthen this cooperation.

- *Thirdly*, there should be even more transparency in the work of the EU. Transparency is an important precondition for the possibility of citizens to scrutinise the EU system.

The EU has already, and not least at the initiative of Denmark, made great progress in this area. There is a principle, established in the Treaty, of openness in

the work of the EU. Clear rules have been adopted concerning citizens' access to information. A EU ombudsman institution has been established. During the Danish Presidency an ambitious programme was completed for openness in the legislative work of the Council.

This work must continue. It must be clearly stated in the new Treaty that openness is a leading principle in EU cooperation. There should be a Treaty-based right of access to documents for EU citizens, encompassing all EU institutions and agencies. The new Treaty must state that the Council legislates in full openness.

- *Fourthly*, the EU Charter of Fundamental Rights should be made legally binding at Treaty level without altering the division of competence between the EU and the Member States. The Charter lists the rights of citizens vis-à-vis EU institutions and the Member States: for example, free speech, freedom of assembly, proprietary right, the right to good administration and equality before the law. This can take place by making a direct reference to the Charter in the Treaty text, perhaps combined with the Charter being attached to the Treaty as a protocol.

In order to further demonstrate the EU's obligation to the fundamental rights, it should be ensured that the EU can accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms. This will also ensure an important uniform practice with respect to fundamental rights within the EU and the Council of Europe.

IV. Effective and democratic institutions

It is more difficult for 25 or 27 to reach agreement than for 15 to do so.

We must ensure the ability of the EU to create political unity and create results. This requires adjustments in the cooperation. The EU must continue to be capable of taking decisions and to live up to its responsibility on both European and global levels to the benefit of citizens, enterprises and the Member States.

Therefore, the following fundamental principles constitute the point of departure for the Danish position regarding the institutional questions:

- We must ensure equality and balance between smaller and larger Member States.
- We must maintain the balance between the three central institutions – the European Parliament, the Commission and the Council.
- We must make the EU function more effectively and democratically.

The future organisation of the EU must be seen as a totality and respect the above-mentioned principles.

The Council

We must ensure that the Council, also after the enlargement, is in a position to function effectively and democratically.

In order to strengthen the capacity of the EU to take decisions, we must make increased use of majority decisions. There is, inter alia, a need for greater use of

majority decisions concerning fixing the minimum rates for indirect taxes, including in the area of the environment. Other areas may also be involved.

Strengthening the effectiveness of the EU also makes it necessary to look more closely at the future organisation of the Presidency of the Council. Also in the future, there must be strength behind the decisions made by the EU, enabling European views to be heard on the world scene.

The present scheme with six-monthly rotating Presidencies must be adjusted and improved if it is to function in an EU of 25 Member States. At the same time continuity must be ensured through close cooperation between two or more incoming rotating Presidencies on inter alia the work programme. Denmark is prepared to continue with the rotating, half-yearly Presidencies in a modernised form. But we are also ready to favourably consider other constructions.

One possibility for reform could be to introduce a permanent, elected President of the European Council for a period of, for instance, 2 1/2 or 5 years. An elected President would be charged with preparing and chairing the meetings of the European Council and monitoring that decisions are implemented. The President could simultaneously represent the EU at meetings with heads of state and government from other countries.

The idea of an elected President with these tasks can be considered on condition that the principle of equality between all Member States is ensured, with regard to chairing the EU as well as with regard to the election of the President, where each country should have one vote. It is furthermore a precondition that the tasks of such an elected President is described precisely so there is a clear division of labour in relation to inter alia the Commission, and so that a new large bureaucracy is not created. A system of changing national Presidencies of the individual Councils of Ministers will supplement an elected President of the European Council.

The Commission

Denmark wants a strong and well-functioning Commission. It is important that the Commission is in a position to act effectively in accordance with the European interest. Only in this way can it be ensured that common solutions reflect the situation in all Member States, that EU legislation is uniformly upheld in the whole of the EU, and that the countries are treated equally regardless of their size.

Therefore, we must maintain the Commission's right of initiative. Proposals for EU legislation should continue to originate in the Commission.

We must also strengthen the Commission President's democratic legitimacy. Therefore, in our opinion, the President of the Commission should be elected by a special electoral college consisting of an equal number of representatives from the European Parliament and the national parliaments. The right to make nominations should be accorded to the governments of the Member States in such a way that a certain number of countries, for example 5, are necessary as supporters of a candidate. The European Council should subsequently approve the election. This way, we will ensure that the Member States' governments continue to have influence on the

election of the President of the Commission and that the national parliaments are given important powers at European level.

The European Parliament

Together with the national parliaments, the European Parliament is an important element in the democratic legitimacy of the EU. Therefore, in our opinion, the influence of the European Parliament on the legislative process should be strengthened. As a starting point the European Parliament should become co-legislator in all areas where the EU legislates by qualified majority. The European Parliament should have a greater influence on the adoption of the EU's budget.

We must at the same time also ensure more efficient control of the expenditure of the EU. There must be a firm framework for the budget and unanimity must continue to apply for any changes in expenditure ceilings. It would be appropriate to write this into the Treaty.

The European Parliament should continue to approve and be able to dismiss the Commission as a whole, and in the future the President of the Commission should continue to have the power to request a Commissioner to resign with the approval of the Commission as a whole, or alter the distribution of areas of responsibility between the Commissioners. This ensures that the Commission has the greatest possible democratic legitimacy.

V. Denmark's special position

The Danish opt-outs are laid down in the Edinburgh Decision and supplemented by a special protocol to the Amsterdam Treaty. The specific arrangements concerning Denmark cannot be changed without Danish consent and therefore will remain in force as long as Denmark so wishes.

The developments since 1992 have shown that there is a great need for a stronger EU in these areas. The European reality in the new millennium is crucially different from the time at which we got the opt-outs more than 10 years ago. This opinion is shared by the populations of Europe, also in the new Member States, which become full members on 1 May 2004.

There can be no doubt that we are in total agreement on this point. The opt-outs are not in Denmark's interest today. It is at the same time imperative that Danish EU policy in these areas rests on the necessary popular foundation. Abolishing the opt-outs will require a new referendum.

VI. Conclusion

Denmark has played a significant role in unifying Europe. We must now work actively and with determination towards the new united Europe being effective and democratic. Denmark must also work for an EU with no lines of division between the new and the old Member States and for the greatest possible equality between large and small countries. In order to safeguard stability on the European continent, the EU must remain open towards new Member States that share our common European set of values and social structures. The EU is neither an exclusive club nor a closed

system but a continual process. To avoid new lines of division, the EU must develop a coherent neighbour policy.

The Danish Government will participate actively in the negotiations in the Convention and the following intergovernmental conference with a view to meeting the great challenges facing European cooperation today and ensuring the greatest possible influence on the new EU Treaty.

Annex II

A Changing World

The Government's Vision for New Priorities in Denmark's Foreign Policy

Introduction

The world at the beginning of the 21st century is essentially different from the world we left at the turn of the century. The international system is transforming. More than ever, development will depend on the choices we make. The new situation calls for a reappraisal of how Denmark can best pursue its foreign policy goals. We must once and for all cast aside the complexes of a small nation. We are now a part of a larger entity and as such are presented with new and greater opportunities to exert influence. We must be forward-looking and think along new lines. And this must happen in an open and responsible dialogue with the public.

With this paper, the Government presents its vision for the new key priorities for Danish foreign policy in the years ahead.

I. Challenges in the 21st Century

Three very different events mark the beginning of the 21st century: the enlargement of the EU and NATO, the terrorist attacks on the USA on 11 September 2001, and the war in Iraq. Each event has in its own way radically changed the world that Denmark must relate to in the years to come.

The first decade after the fall of the Berlin Wall was characterised by optimism. The spread of democracy, market economy and human rights throughout the world was virtually taken for granted, with development in Europe also following the same path. However, the global picture is more complex. The attack on the World Trade Center brutally demonstrated how far extremely radical and violent groups will go in their fight against the Western world and its values. The events on 11 September 2001 have had a dramatic impact on American society and challenged the transatlantic relationship. Most recently, the war in Iraq revealed that the international organisations which constitute the foundation of Danish foreign policy are not as strong and stable as we believed. The EU, NATO and the UN have all been weakened.

The global economic situation also reflects a large number of major challenges. The growth in global trade and the global economy in the wake of the economic boom of the 1990s has noticeably waned. The recession has in particular hit the poorest parts of the world, which are potential sources of instability. At the same time, global development towards increasingly greater economic and political freedom is being jeopardised, and protectionism and isolationism are threatening to gain a firmer foothold at the expense of economic growth and openness. Consequently, Danish foreign policy in the years ahead must successfully meet a complex set of challenges, where conventional notions and traditional solutions will not suffice. The new course we adopt must be the result of a carefully considered and visionary approach.

One Europe

Our membership of the EU is a key element of Danish foreign policy. We share history, values and interests with our neighbours in Europe. The Internal Market is the foundation of our economy, and the EU is the key to Denmark's ability to influence the world around us. With the enlargement of the EU and NATO, a vital Danish foreign policy objective has been achieved. We have swapped a position as a frontline state in the conflict between the East and the West for a position at the heart of a new cooperative Europe. The way is now paved for greater stability and growth in Europe. A united Europe will also stand more strongly as a global actor able to set the international agenda, pursue its interests and address new threats. Europe has been called an economic giant, but a political dwarf. The time of being a political dwarf must now be at an end, as the new threats facing the world also threaten Europe.

One World

The 21st century's threats are fundamentally different from the ones we faced during the Cold War and in the years immediately following the fall of the Berlin Wall. The nightmare is no longer a devastating nuclear war, but destructive attacks on a massive scale perpetrated by global terrorist networks or desperate regimes that have opted out of the international community. Terrorism today is a real and serious threat to people all over the world. But it is also a reminder to us that the world has become a smaller place – and that we cannot close our eyes to the problems that exist even in distant countries. The fight against the new global threats - and their many diverse causes – demands action across a broad number of areas using a broad number of foreign policy instruments. In this context, cooperation between Europe and the USA is imperative.

The demographic changes in the Third World are themselves a sign of future unrest, unless effective action is taken to improve the future prospects of people in large parts of this world.

One Foreign Policy

In a steadily shrinking world, the interplay between national, regional and global developments and efforts is becoming increasingly important. A modern and effective foreign policy requires that the many facets of foreign policy, such as European, development, security, defence and trade policies, are integrated in a mutually reinforcing manner.

Overview, coherence and consistency must be achieved in order to enable Denmark in the future to pursue one foreign policy, in one united Europe, in one world.

It is vital for Denmark that the answers to the challenges of our age are found in a way that sustains and expands the strong international cooperation, which is a prerequisite for creating a world characterised by stability, sustainable progress and a common rule of law for all. The EU, NATO and the UN remain the most important organisations for ensuring security and stability, both for Denmark and the world. International cooperation will not happen by itself, but requires sustained, long-term and committed efforts to strengthening the international organisations, so that they are

continually adapted to meet the political reality and also provide the framework for peaceful, global development in the future. Denmark's candidature to the UN Security Council for 2005-2006 should be viewed in this perspective.

Denmark has an important international responsibility; a responsibility we can best assume through a pro-active, focused and coherent foreign policy based on a clear set of fundamental values.

II. Values and Principles

Values

The primary goal of Danish foreign policy is to promote Denmark's security and prosperity based on a set of fundamental values; values that also constitute the backbone of Denmark's open society. The core values are the individual and the community, freedom, democracy and security.

* **The individual**

and his/her rights and opportunities are a prerequisite for creating peace and prosperity. Respect for each human being and universal human rights is essential. However, the individual lives in a community, and the individual cannot be protected without safeguarding the community.

* **Freedom**

with responsibility is the key to stability, democracy and prosperity. Free initiative offers great opportunities for overcoming even the toughest problems.

* **Democracy**

is the framework for the individual, freedom and security. A market-based economy in an open society, and fair and free trade with respect shown for the environment and health pave the way for growth and prosperity.

* **Security**

must guarantee the development opportunities of the individual. Each person must be protected from the increasingly tangible threats presented by, for example, transnational crime, weapons of mass destruction and terrorist attacks.

Principles

The Government wishes Denmark to exert maximum influence on the world around us. The enlargement has shown that through concentrated efforts a small country can exert far greater influence than might immediately be expected. Influence does not come by itself. It requires focus, involvement, action, consistency and perseverance.

* **Focus**

in foreign policy must occur through the resolute prioritising of themes, interests and areas of vital importance for the country. We must concentrate our efforts in areas where we have particular expertise, experience and opportunities to make a difference.

* **Involvement**

in the major international organisations and in those capitals where the ideas for European and global development are fostered is a prerequisite for influencing our

partners. We must ensure a dynamic interplay between Denmark's bilateral efforts, the work of the international organisations, and in coalitions with partners.

* **Action**

must follow words. Denmark must be ready to take the lead and to think along new lines whenever necessary. Whoever contributes actively and solidly to the solution of international problems speaks with greater weight when decisions are made. We must be ready to invest time, money and effort in those areas we deem of major importance.

* **Consistency**

must be the guiding principle of our policy. As a rule, negotiation, constructive participation and the power of example are the best means of promoting Danish values. Sanctions and the application of military force must always be the last resort, although the option must be kept open.

* **Perseverance**

in the form of thoroughness, objectiveness and continuity is in many cases the greatest source of influence for a small nation. For Denmark to speak with authority, our partners must be in no doubt that Danish arguments and analyses are objective and based upon in-depth knowledge about the world around us.

The Government will continue to closely incorporate Greenland and the Faroe Islands in foreign and security policy matters. We see it as a vital task in the coming years to realise the Government's vision for the home rule governments to act on the international stage on behalf of the kingdom of Denmark in matters that solely concern their particular affairs. The kingdom is an equal community between Greenland, the Faroe Islands and Denmark.

III. Three Dimensions in Danish Foreign Policy

The three key dimensions in Danish foreign policy – European, transatlantic and global – must be closely tied and mutually strengthening. The EU and the USA are our most important partners for safeguarding Denmark's economy and security. The EU is our most important channel for influencing the global agenda, and close transatlantic cooperation based on trust is a prerequisite for positive global development. Consequently, the European and transatlantic combination is a prerequisite for enabling Denmark's foreign policy to have a meaningful global dimension.

1. The European Dimension

Denmark in a Strong, Enlarged EU

The enlargement of the EU has paved the way for new opportunities for cooperation and for the EU to play a stronger role globally.

In addition, the leap from 15 to 25 Member States will dramatically alter the nature of EU cooperation, with a need to make fundamental adjustments to institutions and procedures. Previous working procedures and alliance patterns will change.

Denmark should actively take part in the work to create the framework for the new enlarged EU. But the dynamism in the EU's development will in the coming years be

concentrated around the Danish opt-outs – the common currency, defence, and justice and home affairs. Denmark has nothing to gain from impeding this dynamism – a dynamism which is crucial for Europe’s prosperity and security. The opt-outs will therefore in the coming years increasingly restrict Denmark’s ability to influence the direction of EU development and to obtain the maximum from EU membership. At an appropriate juncture, therefore, the Government will take the initiative to give the Danish people the opportunity to free themselves from the restrictive ties of the opt-outs by referendum.

Under any circumstances, it will be more difficult than today for Denmark to influence the decisions taken in an EU with 25 Member States. This is unavoidable. Competition for influence and attention is tough in the European market, and it will be even tougher after the enlargement. For Denmark to maximise its influence, it will need to pursue a pro-active, coherent and focused European policy. The impact of Danish views will be totally reliant on active alliance-building. The active efforts made towards pushing the enlargement process forward, crowned by the final round of negotiations in Copenhagen, have generated a large degree of goodwill and trust towards Denmark among the new Member States. This is a good starting point for Denmark’s ability to safeguard its interests in the enlarged and transformed EU.

Particularly with regard to relations with the three Baltic States, a basis exists for fostering cooperation, which eventually may bear resemblance to the solidarity and quality characterising Denmark’s relations with the other Nordic countries.

In both Denmark and other Member States, the EU serves today as the vital framework for most societal conditions. There is an increasingly closer interplay between European policy and domestic policy. The efforts to promote Danish views in the EU can therefore not be confined to government departments, but must be targeted broadly at politicians, the media and organisations.

An enlarged Union must not become a diluted Union. The EU must be able to make decisions – even with 25 or more members. This will require adjustments in the nature of cooperation. Consequently, the future of the EU must be secured in the form of a constitutional treaty, the content of which is being drawn up by the European Convention and will be finalised at the following intergovernmental conference. The goal is a more dynamic, open and democratic EU built on strong and independent institutions. The community approach must be maintained.

The EU’s policies must underpin economic growth in a sustainable manner. The Internal Market and competition policy must function as efficiently as possible at a high level of protection, and state subsidies must be reduced. The EU’s competitiveness and growth must be enhanced through structural reforms in accordance with the Lisbon Strategy. At the same time, the EU must continue to be the guarantor of a strong and stable common currency –the euro – which will provide the framework for more and better jobs as well as greater prosperity in Europe. The EU must also become more effective in combating unemployment by strengthening the coordination of employment policies across borders. For maximum benefit to be reaped, an effective coordination of economic policy will need to be implemented.

The Common Agricultural Policy must be fundamentally reformed. The markets must be opened and subsidies reduced, with sustainable development at the centre of focus as the guiding principle. Agricultural reforms will enhance the economic efficiency of the EU, and they will represent a vital contribution to a continued liberalisation of global trade. As a pendant to the Internal Market and the Common Agricultural Policy, the trade policy must foster a competitive market and thereby competitive European enterprises. The trade policy must also open up foreign markets and facilitate an efficient international distribution of labour. The EU's environmental policy must continue to be developed and improved through the integration of environmental considerations in sector policies and the introduction of stronger environmental requirements based on the precautionary principle.

Denmark has a clear interest in stronger cooperation in justice and home affairs. This is an area that has developed rapidly in recent years – not least after the terrorist attacks on the USA; a development that will continue in the light of the enlargement. This applies to the common efforts regarding refugees, illegal immigration and border control, as well as regarding the fight against international crime, all of which require common solutions and which to an increasing extent are an integral dimension of the EU's external policies. In this area, Denmark will only be able to exert maximum influence by abandoning its opt-out.

The Government will at an appropriate juncture take the initiative to abandon the opt-outs by referendum.

At the intergovernmental conference, the Government will work for:

- * A new and simpler foundation for the EU with clear boundaries for the EU's authority and clear rights for citizens.
- * A greater role for national Parliaments in EU cooperation.
- * Greater openness and transparency in the EU legislative process.
- * Greater influence for the European Parliament.
- * Equality of status between small and large Member States, and balance between the institutions.
- * Strengthening of the Commission President's democratic legitimacy.
- * More efficient decision-making procedures through increased use of qualified majority voting.
- * Greater continuity and clarity in the formation of the Presidency for the European Council and the Council of the European Union.

The EU's Neighbours

Denmark has a special interest in contributing to the maintenance of peace and stability in our own part of the world. Strong democracies, healthy market economies and growth in the EU's neighbouring states will benefit the EU and Denmark seen from a security, economic and trade perspective.

Conversely, European societies collapse into lawlessness, poverty and violent conflicts may have direct and serious consequences for us in the form of an influx of refugees, organised crime, illegal immigration, fundamentalism and terrorism.

The vision of an open Europe based on peace, stability and democracy must be maintained. The enlargement of the EU and NATO must not lead to new demarcation lines and conflicts in Europe. The primary efforts must be made through the EU. A key new Danish goal is therefore for the EU to develop a coherent and balanced policy towards its neighbours with increased focus on Russia and the EU's new neighbours in the east – Belarus, Ukraine and Moldova. These countries have a potential but not current prospect of EU membership. The neighbour policy must help to promote the reform process in these countries and thereby pave the way for their modernisation and gradual economic integration into the EU's Internal Market. In the short-term, there will in particular be a basis for widened cooperation with

Ukraine. Denmark must assume the role of initiator and act as the driving force behind this process, where the new Member States will be natural cooperation partners. The EU's efforts may be complemented by the OSCE and the Council of Europe, both of which must also adapt themselves to the EU enlargement.

To strengthen Denmark's own position in the area and at the same time give further weight to Danish views, the efforts made via the EU should be supplemented and supported by active bilateral initiatives. Over the next four years, the Government will set aside DKK 850 million for a new neighbourhood programme that gathers and streamlines the Danish Democracy Fund, the Peace and Stability Fund, and the bilateral assistance given to countries in Central and Eastern Europe. The Baltic Sea Region and the Balkans will be given special priority in the programme.

In the Baltic Sea Region, EU-Russia relations will be the key focal point following the enlargement. With this in mind, we should discuss with our partners in the region how the organisation and role of the Council of the Baltic Sea States could be adapted to the new realities. Through the EU and on a bilateral level, Denmark must prioritise development and deepening of relations with Russia based on mutually binding cooperation. Belarus has the potential to become an attractive cooperation partner for Denmark both politically and economically, but its increasingly more authoritarian style of government stands in the way. The Government will make a special effort to help break the country's current isolation and negative development by supporting civil society and reformist energies.

In the Balkans, the EU has made an important contribution to stability and peaceful development. The situation has significantly improved in recent years, but there continue to be a number of serious problems and tensions in the area, that concern the rest of Europe. It is not least for this reason that we must maintain and exert influence on continued strong EU involvement in the Balkans and supplement this with Danish bilateral initiatives aimed at securing stability, democracy and economic growth. Key areas of focus will include the strengthening of the rule of law, democratic institutions, repatriation of refugees, and fight against organised crime. In line with the EU's take-over of responsibility for a number of military operations from NATO, Denmark's participation in this vital effort towards stabilising the region will have to be withdrawn due to the defence opt-out. This will not only weaken Denmark's influence in the Balkans and in the EU, but also mean that the previous, highly successful synergy generated between Danish military and civilian efforts can no longer be maintained.

The neighbourhood programme will provide the opportunity to support efforts to promote democracy and prevent the outbreak of conflicts in other neighbouring states and regions of the enlarged EU, such as Ukraine,

Moldova and the Caucasus. Such efforts will strengthen the bilateral political dialogue with the neighbouring states and enable Denmark to build up knowledge of the countries and contacts there, that can provide the basis for building coalitions and cooperative relations locally. This is necessary in order to maximise Danish influence in EU and OSCE efforts in these areas.

The Government will work to ensure that the EU remains a dynamic cooperation that is ready to open its doors to new European countries able to fulfil the set criteria for accession. The EU must show no compromise on the criteria laid down for accession. Otherwise, there is a danger that EU cooperation will become diluted. The Government looks forward to the accession of Bulgaria and Romania to the EU in 2007, and also to the time when Turkey fulfils the Copenhagen political criteria, necessary in order for accession negotiations to be initiated. The EU has given countries in the Western Balkans a firm prospect of membership, which must be maintained. These countries should be supported in their efforts to meet the accession criteria. It would not be productive to define the EU's final outer borders at this stage, but a European Union stretched as far as the Pacific Ocean would not be meaningful. The nature of cooperation between the EU and Russia is therefore of a special character, not being based on a perspective of Russian membership of the EU. In the same way, it would not be relevant to talk of membership for countries south of the Mediterranean or in Central Asia.

A new Neighbourhood Initiative

The Government will make a special effort through the EU to develop a new, coherent and balanced policy towards its neighbours with increased focus on Russia and the EU's new neighbours to the east – Ukraine, Moldova and Belarus. The core elements should be:

- * An attractive offer of strengthened cooperation tailored to the very different conditions in each neighbouring state.
- * A consistent line, where the EU's support is directly related to the country's own reform efforts.
- * A long-term goal of integrating the new neighbours in the Internal Market on the same level as EEA countries.

The Government will develop a new bilateral neighbourhood programme for 2004-2007 with focus on the Baltic Sea Region and the Western Balkans. The programme will focus on:

- * Security and stability, including conflict prevention and the fight against terrorism, crime, etc.
- * Democracy and human rights, legislative reforms, development of civil society and freedom of the media.
- * Environment and energy as well as development business economics in the Baltic Sea Region.

The EU's Global Responsibility

The foreign policy situation more than ever calls for a strong EU that stands united and assumes global responsibility. The EU must work for stability, sustainable development – economic, social and environmental – as well as democracy in Europe and globally. The Common Foreign and Security Policy must be strengthened and made more effective. The fact that the Iraq conflict has exposed the limits of the current cooperation further emphasises this

need. In addition, it is important to keep in mind that the political differences of opinion over Iraq have not had an adverse effect on international cooperation in the economic sphere. Here, the EU must continue and strengthen its active line as a progressive, agenda-setting actor seeking to promote a free and liberalised framework for trade and development.

Today, the EU is close to having a complete foreign policy “toolbox” with instruments within areas such as trade, development, political dialogue, conflict prevention, crisis management as well as justice and home affairs. Denmark must work to ensure that the EU fully exploits the existing framework and thereby exerts an impact on the international scene, including in the UN Security Council. This must be achieved through greater coherence, consistency and focus in EU policies.

Common policy on international issues gives Europe the strength to set the agenda and influence development. In the Middle East and Africa, for example, the EU has demonstrated its strong commitment to democratic development and conflict settlement. At the UN conferences in Monterrey and Johannesburg, the EU led the way with a major effort to promote sustainable development in the Third World. In the IMF and the World Bank, the EU acts as a proponent for a more efficient international financial system. Denmark will strive to ensure that during the Doha round in the WTO, the EU will contribute to a continued liberalisation of trade. The EU is at the forefront of efforts to establish the International Criminal Court with the goal of strengthening the international rule of law. The EU has good opportunities for interregional cooperation, which can be seen, for example, in the Mediterranean region, where the Barcelona Process provides the basis for broad cooperation – political, economic and cultural – between the EU and the Mediterranean countries. Similar cooperation takes place with Asia through ASEM.

It is in Denmark's interest that the enlarged EU is increasingly able to speak with one voice. The Government will therefore work for institutional reforms that can help achieve this goal. Likewise, in the day-to-day formulation of the Common Foreign and Security Policy, we will actively work to promote maximum unity as well as a common approach. But it is unrealistic to imagine that the EU Member States can always speak with one voice. The Government does not wish a centrally-controlled foreign policy outside the immediate control of the Member States. Therefore, in certain foreign policy matters Member States will continue to pursue different policies, as we have seen with regard to Iraq. But we will work for increased use of qualified majority voting with regard to the Common Foreign and Security Policy, and Member States should to a greater extent be ready to employ the option of constructive abstention.

The size of Community development assistance and the assistance provided by Member States on a bilateral level makes the EU the largest donor in the world, donating around 50% of overall global development assistance funding. But this assistance is not enough on its own, and Denmark therefore must actively campaign and work for greater coherence between the EU's political, economic and development goals and instruments, as well as between these and the bilateral efforts of Member States. The goal is for the EU's overall development assistance to be increased from 0.33% to 0.39% of the GNP by 2006.

The EU's Common Security and Defence Policy must be strengthened to enable the EU to enhance its crisis management capability, in both civilian and military terms. This must be achieved through close collaboration with NATO and without unnecessary duplication of NATO structures. Collective defence must remain anchored in NATO. It is in Denmark's interest that the EU undertakes peacemaking and humanitarian tasks. The EU must be a strong partner for the UN in conflict settlement. Access to a wide range of instruments, including military, must ensure the ability of the EU to play a greater role on the global scene.

At the intergovernmental conference, the Government will work to strengthen the Common Foreign and Security Policy, among other things by combining the position of High Representative with the position of EU Commissioner for External Relations and by increased use of qualified majority voting.

The Government will take the initiative to reinforce European involvement in the settlement of regional conflicts with global repercussions in the Middle East, Africa and Asia, including India/Pakistan and the Korean Peninsula.

The Government will work through the EU to ensure that the new WTO round leads to a positive outcome, whose core elements should be:

- * Increased liberalisation of trade with goods, including agricultural products, and services of benefit to the global economy and to Danish enterprises and consumers.
- * Increased integration of developing countries in the global economy, especially the least developed countries, which should be ensured free market access to more developed economies.
- * A solution to the drug patent issue so that developing countries are ensured access to life-saving drugs whilst protecting the rights of the patent holder.
- * Recognition of multilateral environmental agreements.

2. The Transatlantic Dimension

Denmark, the EU and the USA

As a transatlantic-oriented country anchored in Europe, Denmark has a key interest in a strong Europe cooperating with a strong USA. The transatlantic relationship builds on shared fundamental values, interests and goals. The

two continents are each other's most important partners in all areas: policy, economy, security and culture.

Strengthened security and cooperation in Europe goes hand in hand with strengthened transatlantic cooperation and security. A weakening of one dimension will almost automatically lead to a weakening of the other. We cannot close our eyes to the fact that the transatlantic ties are under strain, emphasised for example, by the Iraq conflict. There are strong centrifugal forces on both sides of the Atlantic. The terrorist attacks on 11 September 2001 have changed American society far more fundamentally than most Europeans comprehend. The USA that staunchly pursues its own security interests is here to stay. And the development of an EU that gradually builds up its capacity to match the USA's global influence will continue. In Europe, there are voices that mistakenly believe that the way to a stronger EU is through a weakening of the transatlantic cooperation. And in the USA there are influential groups that see Europe either as a weak and irrelevant partner or as a potential rival that needs to be split apart and held back.

The transatlantic partnership must be put back on track. A wedge driven down through the Atlantic will also lead to a splitting of Europe. We must agree on a common vision in Europe for the relationship with the USA and the rest of the world. There must be no doubt as to where Denmark stands in this debate. We do not see the EU as a rival pole of power to the USA. The interests of Denmark, the EU and the USA are best united in an extensive multilateral system. We must work to involve the new Central and Eastern European members of the EU and NATO as much as possible in the development of this vision. As a supplement to the cooperation in the international organisations, it may be relevant to develop strategic bilateral partnerships with selected countries. The USA's involvement in Denmark's neighbouring area is important for security and stability. In particular, American involvement in the Baltic Sea Region must be maintained through conducting, for example, joint project initiatives in line with the Danish objectives for development of the area.

Finding solutions to a large number of important global issues requires close transatlantic cooperation. Europe and the USA have a clear common interest in strengthening international control with weapons of mass destruction, not least in relation to Asia where there is a basis for stronger joint American-European action to address the build-up of nuclear arms in India and Pakistan as well as in North Korea. Denmark should take the initiative to place these issues high on the transatlantic agenda. On trade, common efforts to liberalise global trade should be strengthened. On development, the USA at the Monterrey conference has shown a willingness to increase its efforts and its involvement in helping to solve the problems of the Third World. On environment, the EU and the USA as leading industrial regions have a duty to take the lead. This provides the basis for closer cooperation and coordination of development assistance policy, which will enhance the effectiveness

and results achieved in the Third World. Finally, the USA must be persuaded to maintain its active involvement in bringing the prolonged conflict in the Middle East to a peaceful settlement, where a joint effort specifically by the USA and the EU can foster the trust among the parties of the conflict, which is a prerequisite for successfully implementing the road to peace.

The USA and Europe may not see eye to eye on all policy areas, nor do they need to. As differences of opinion occur between European countries, they will also occur from time to time between Europe and the USA. Naturally, Denmark will wholeheartedly support the EU's line when it comes to, for example, the environment, the International Criminal Court or trade policy, and it will also work to ensure the USA's inclusion both in conventions supported by the EU and in areas where global efforts are weakened by the USA's absence. However, we must always bear in mind that in global policy the EU and the USA are not rival poles of power, but complementary. The transatlantic relationship is not a zero-sum game. Genuine global progress is best achieved when Europe and the USA pull in the same direction. The two continents must be aware of their joint responsibility. The decisions we make affect conditions the world over. This obliges us to seek the common way whenever possible. With our solid anchoring in the new Europe and the strong bilateral relationship to the USA, Denmark must concentrate its efforts on fostering strong cooperation across the Atlantic. The prerequisite for this is that Denmark is able to preserve a high degree of credibility on both sides of the Atlantic.

* The Government will work to foster the closest possible cooperation between Europe and the USA in order to find common solutions to global problems and specific conflicts.

* The Government will, through active and early inclusion in connection with both strategic considerations and specific projects, endeavour to involve the USA as much as possible in the Baltic Sea Region and in relation to the EU's new neighbours.

* The Government will take the initiative for joint European-American efforts to address the danger presented by weapons of mass destruction in Asia.

NATO

The transatlantic security partnership is just as important today as it was during the Cold War. Not just the USA, but the entire Western world faces new threats to our open and democratic societies. And even with its overwhelming military strength, the USA must involve its allies in order to safeguard its security.

It is crucial for Denmark to maintain NATO as the key forum for joint and binding security policy cooperation between the whole of Europe and the USA – and thereby for peace in the world. This cannot be taken for granted as we have clearly seen in connection with the crises in Afghanistan and Iraq.

NATO today is the only realistic multilateral framework for a military solution if other allies apart from the USA should suffer a security policy shock on the scale as that of 11 September 2001. NATO's continued role as the major international security organisation depends on the organisation's ability to effectively implement the Prague Summit's ambitious decisions to adapt itself to the new challenges and threats. NATO must have an integrated military structure that can lead operations, constitute a circle of potential coalition partners and possess a "toolbox" with a military capacity that can be drawn upon when needed.

We must openly debate NATO's future role in the settlement of international crises. The Government is ready to examine the possibility of NATO – as in Afghanistan –

playing a constructive role in connection with the stabilisation of Iraq and in connection with the efforts to find a sustainable solution to the Israeli-Palestinian issue. We must not be constrained by our view of the world in the past, but shape NATO in a way that enables it to effectively address the security issues of the present.

NATO must focus on military cooperation. This is the organisation's decisive comparative advantage. A natural division of tasks between NATO and the EU regarding crisis management must be found, and this must also involve the OSCE. All three organisations have important strengths that must be exploited to the full, as opposed to wasting scarce resources on competing with each other and duplicating efforts. NATO should develop closer cooperative ties with Russia, and NATO's door should remain open to new members, for example from the Balkans.

To establish a genuine transatlantic security partnership it is vital that Europe is ready to assume its share of the burden – regionally as well as globally. After the enlargement, the EU will far exceed the USA in terms of population size, production, foreign trade and development assistance. However, when it comes to relevant military capacity and technology, the USA is far stronger than Europe. Only a better military balance will secure Europe genuine co-determination. Much can be gained by implementing a radical restructure of EU Member States' armed forces away from conventional territorial defence with large conscription-based forces to smaller, modern and high-technological units suitable for international operations.

Many European countries desire that the development of Europe's capacity to provide relevant military contributions first and foremost takes place within the framework of the EU's Common Security and Defence Policy. Due to its defence opt-out, however, Denmark will not be able to make a contribution, which further emphasises the need for abandoning the opt-out as soon as possible.

The fundamental change in the nature of the threat to our security requires careful analysis. As part of the basis for a new defence policy agreement in 2005, the Government has therefore decided to draw up a security policy paper that will identify the key threats and challenges in the future, and, among other things, highlight their implications for the type of tasks that the armed forces will be charged with undertaking and carrying out. The Government will also participate actively in the work to develop a new security strategy for the EU.

* The Government will work to keep NATO as the transatlantic framework for dealing with new threats and as the guarantor of European security.

* The Government will press for a rapid modernisation and focusing of military cooperation within NATO.

* The Government will implement the necessary reforms to the Danish armed forces, so that we can contribute optimally as well as effectively in terms of resources to burden sharing through participation in international operations.

Missile Defence

Even though the threat of ballistic missiles fired against Denmark is not imminent, the situation may rapidly change. For a number of states, the procurement of missiles for carrying weapons of mass destruction is a means of political blackmail. At the same

time, it cannot be ruled out that these states in reality are quite willing to use their missiles and weapons of mass destruction more quickly, or for other reasons, than we expect. The danger that states with weapons of mass destruction may collapse and put these weapons in the hands of quite unpredictable forces is real. Political instruments, including in particular the multilateral disarmament and non-proliferation regime and deterrence, are important but unfortunately not perfect instruments for countering this threat. Once a missile is airborne, these instruments have failed their purpose, and without a missile defence, nothing can be done to stop them reaching their target. Denmark must not rule out any instruments that may safeguard security. We have a duty to do what is possible today so that future generations can live under the same security as we do.

* The Government will remain positive towards American efforts to develop a missile defence system and to the wider considerations regarding the establishment of a missile defence system covering Europe within the next decade.

* The Government will work to ensure that the development of a missile defence system creates enhanced security for all and does not lead to unintended consequences such as the increased build-up of nuclear arms.

3. The Global Dimension

The UN and the International Rule of Law

A key challenge for Danish foreign policy is to create an international community where the democratic principles of the rule of law prevail, where the relations between states follow legal procedures, where states resolve territorial and other disputes in a peaceful fashion, where individuals who commit war crimes, genocide or terrorist acts are prosecuted, and where citizens enjoy protection against injustices committed against them by state authorities.

A well-functioning international community governed by law is built on universal approval, effective control mechanisms and efficient enforcement of rules. The UN Charter is the constitution of the international law-governed community, and the UN is the central framework for the development of a world-embracing code of conduct that covers rules regarding disarmament, non-proliferation of weapons of mass destruction, the environment, human rights, humanitarian law, and the fight against terrorism. In recent years, the UN has developed a more effective capacity to agree on and undertake peace supporting operations. Denmark will contribute actively to promoting this positive development.

That the UN Security Council was unable to reach agreement on the timing and conditions for the military action designed to secure Iraq's compliance with the UN demands regarding disarmament does not alter our overall goals for the UN. On the contrary, the failure to reach agreement emphasises the need for a continued reform of the world organisation. The UN's strength presupposes the right balance between universal representation and a reflection of the true power balance in the world. Otherwise, we run the risk of being left with only words and no results. Consequently, the Government will work to promote a reform of the UN Security Council, so that it reflects a changing world and is better able to fulfil its responsibility.

We must strengthen the international conception of justice. We must ensure that clear consequences are built into the international system that deter states from aggression and gross violations of human rights. The international community's decisions – especially the Security Council's resolutions – must have built-in credible incentives in the form of rewards for compliance – and sanctions for non-compliance. Security Council resolutions should in general be accompanied by a concrete sanction regime that can be brought into play when requirements formulated by the world community are ignored; if necessary through a credible threat of the use of force.

The International Court of Justice in the Hague is the most important organ when states are unable to reach agreement on a peaceful settlement of their mutual conflicts through negotiation. The International Court of Justice does not lack the ability to act, but there is a need to strengthen its role, as far from all states recognise its authority.

The same applies to the International Criminal Court, whose purpose is to pass judgement in matters relating to war crimes, crimes against humanity and genocide, and thereby contribute to preventing such crimes and ensure that justice is done. The International Criminal Court must also have the authority to prosecute individuals responsible for acts of terrorism.

Denmark must contribute to strengthening the capacity of the UN and regional organisations to prevent and resolve conflicts, and also to developing effective measures for efforts in post-conflict situations. We must contribute to active peace diplomacy and participate in crisis management efforts – both peacekeeping and peacemaking operations. We must also support the development of a new security architecture in Africa, which, through stronger regional organisations and the implementation of the new NEPAD Initiative, will increase peace and stability as well as contribute to strengthening Africa's capacity to intervene in its own conflicts.

Denmark must enhance its efforts to resolve conflicts in close cooperation with the UN and our partners. New and more active Danish efforts in this area could take the form of sustained and long-term mediation initiatives. We must also be ready to take the necessary initiative to provide peaceful and sustainable solutions. This requires in-depth knowledge of the conflict's causes and consequences, and that Denmark has built up credibility and respect among the parties in the conflict and among other stakeholders prior to implementing any initiative.

Denmark's candidature to the UN Security Council in 2005-2006 is a solid expression of our willingness to assume co-responsibility. The role of the elected members in the Security Council must not be underestimated. If Denmark is able to win election to the Security Council, a demanding foreign policy task will lie ahead. Our involvement in developing Africa leads to a natural Danish focus on the African continent, which already accounts for the majority of matters dealt with by the Security Council.

* The Government will implement a number of concrete initiatives to strengthen the international rule of law through universal approval and effective control mechanisms.

* The Government will use its membership of the Security Council in 2005-2006 to call for the Security Council's decisions to be backed up by credible and effective instruments.

* The Government will enhance its efforts to secure the prevention and settlement of violent conflicts, with focus on countries and regions where we possess special expertise due to our presence, development efforts or participation in peacekeeping operations. Denmark must be willing to take greater risks and be ready to assume the role of mediator in conflicts where we possess special expertise that may contribute to securing peaceful settlement.

The Fight Against Terrorism and Weapons of Mass Destruction

International terrorism is a threat to our peace and security, and can strike any country and any population group – including Denmark and the Danes. The terrorist attacks on the USA on 11 September 2001 have moved the boundaries. The attacks brutally underlined that the threats posed by international terrorist networks, and the fragile states where they find refuge, are genuine and concern us all. Access to weapons of mass destruction and the technologies behind them has become easier. It is absolutely vital that we actively fight terrorism, gain control of the spread of weapons of mass destruction, and implement stronger efforts to eradicate the causes of terrorism.

We must employ all foreign policy instruments in the fight against terrorism. It is imperative we use national, regional and global means in an effort that affects a broad range of policy areas. The goals are clear. We must prevent and forestall acts of terrorism. We must identify and destroy terrorist organisations as well as halt the flow of capital financing their activities. This places further demands on international cooperation in the area of law enforcement and intelligence. We must proliferate a system that ensures terrorists are brought to justice for their actions, no matter where such actions have been committed. Every state must therefore accede to the UN's anti-terrorist conventions and fully implement UN Security Council Resolution 1373. The fight against terrorism must be a cross-cutting issue in the cooperation with other countries. We must support those who wish to join in the fight, but who are unable to do so. Through technical assistance, we must help ensure not least that the Danish programme countries have the necessary instruments to fulfil UN Security Resolution 1373 and thereby prevent and combat terrorism. And we must exert pressure on those countries that fail to meet their international commitments. The EU will in partnership with the UN and the USA continue to be the central forum in the fight against terrorism. The Government will publish an annual report on terrorism describing the extent of the terrorist threat and the efforts being made to combat terrorism in Denmark and globally.

Increasingly more states possess the necessary technology to manufacture weapons of mass destruction. This increases the need for international rules and control measures. Strong international rule of law, whereby states can have confidence in existing agreements and the respect and enforcement of them, reduces the incentive to rearm, and therefore is a crucial prerequisite for preventing the spread of weapons of mass destruction. Denmark should also promote measures designed to prevent existing weapons of mass destruction and associated materials from falling into the wrong hands.

The multilateral disarmament and non-proliferation regime anchored in the UN is the most important instrument. There is a need to modernise and streamline the myriad of incoherent international agreements as well as to conduct an ongoing expansion of the

basis for the agreement so that its clauses are always in tune with an ever-changing political and technological reality.

However, a number of the problems facing the disarmament and non-proliferation regime can hardly be effectively addressed within the existing frameworks. Development of missile defence is one of the new possibilities for meeting the threat presented by weapons of mass destruction. As a key element of the long-term strategy to meet the threat of terrorism, the Government will significantly enhance efforts to prevent the outbreak of conflicts, and to stabilise and consolidate peace, both bilaterally and multilaterally. Foreign policy's contribution to the fight for stability and security and against terrorism will focus on conflict prevention, mediation, peacemaking and peacekeeping efforts, as well as efforts to effectively combat both international terrorism and religious intolerance. International cooperation, and not least the role of the UN, is vital, both during and following wars and crisis situations. The Danish contribution to multilateral efforts in this area will be significantly enhanced with the aim of supporting the efforts of international organisations in this area. The efforts in this area will not be confined to the poorest developing countries either, but may be used strategically and geopolitically in all developing countries. Not least an effort to enhance the modernisation and democratisation process in the Arab countries.

We must acknowledge that international terrorism is closely tied to fundamentalist groups in the Middle East and Southeast Asia. An active effort to fight international terrorism should therefore focus on supporting those groups working to promote human rights, modernisation, as well as tolerance for other religions and human beings in these areas.

* The Government will combat the immediate threat of terrorism by contributing actively to enhanced international cooperation against terrorism and by strengthening its support especially for the participation of Danish programme countries in the international cooperation, among other things by providing them with technical assistance and the necessary tools to fulfil UN requirements.

* The Government will fight to eradicate the causes of terrorism through targeted development assistance in regions exposed to fundamentalism and radicalism and through special bilateral efforts in "fragile states".

* The Government will publish an annual report on the extent of the threat presented by international terrorism and the efforts to combat it.

* The Government will take the initiative to work for a streamlining and modernising of the myriad of international agreements regarding the spread of weapons of mass destruction in an effort to gain broad international endorsement as well as secure stronger commitments and more effective control mechanisms.

Human Rights, Democracy and Intercultural Dialogue

The development that has taken place in recent years has emphasised the necessity of securing respect for human rights, good governance and democratisation. Violations of human rights, lack of democratisation and poor governance typically hit the poor hardest and simultaneously breed instability and political extremism.

Denmark must be at the forefront of efforts to promote respect for human rights, democracy and good governance. The Government will intensify efforts markedly in this area. Development assistance must play a greater role in eradicating the seeds of radicalism and extremism that can lead to religious intolerance and terrorism. In addition, the interplay between the various aspects of Danish human rights policy must be strengthened.

In order to secure peaceful development and in the long-term remove the basis for terrorism and extremism, it is imperative that intercultural dialogue and religious tolerance are promoted. The dialogue must build on mutual respect, and cultural and religious differences must be acknowledged within the context of universal human rights. Religious and cultural values and traditions must never be used as an excuse to remove the individual human being its freedom or rights. Where extremism in any shape or form stands in the way of democracy and respect for human rights, Denmark must actively support forces that promote tolerance and respect for the individual human being.

This can be achieved not least through closer cooperation with the positive energies in the Arab world supporting modernisation and democratisation. Other target areas will include the fight against corruption, based on the new action plan against corruption, support for the preparation and implementation of free and fair elections, reforms of the legal sector, support for a free press and human rights organisations, both national, regional and international, as well as the strengthening of national parliaments and decentralisation. Such efforts will also be carried out in regions where Denmark and its partners have a special interest in tackling political and religious radicalism, for example in the new Iraq. Denmark will work for an effective and independent international system that monitors fulfilment of international commitments in the area of human rights. The UN Human Rights Commission is in principle a major player in the work for global human rights, but in order to properly fulfil this role, it must be reformed.

Modernisation and Development in the Arab World

The Government will work to ensure that modernisation and development in the Arab world is placed high on the agenda for the transatlantic dialogue and also work for a significantly greater prioritisation and enhancement of EU efforts in this area. The goal must be to promote democracy, justice and good governance throughout the region as well as strengthen intercultural dialogue.

The USA and Europe together must:

- * Strengthen education systems, particularly non-religious education.
- * Develop the private sector by opening markets and supporting small and medium-sized enterprises in the area.
- * Develop the social welfare sector.
- * Contribute to raising democratic standards and respect for human rights.
- * Reform the legal systems in a democratic direction.
- * Deter corruption.
- * Strengthen civil society.
- * Contribute to strengthening the role of women in society.

This means that on a European level Denmark must work to ensure:

- * The EU's significant assistance to Mediterranean countries is restructured, so that it more strongly promotes democracy and religious tolerance.
- * The Mediterranean dialogue is intensified and takes place more between people than institutions.
- * The EU adopts a more consistent policy and confronts regimes that violate fundamental international norms.
- * The initiation of a partnership for reform and progress in order to conduct a common, broad-spectred effort towards terrorism.
- * The initiation of a permanent Conference between the EU and the Arab world.

The Government will itself develop closer bilateral cooperation with the positive energies in the Arab world supporting modernisation and democratisation. This may take the form of, for example:

- * Support for civil society and freedom of the press.
- * Development of the network of Danish cultural institutes in the Arab world as part of strengthened intercultural dialogue.
- * Support for reforms of the legal sector and the fight against corruption.

For conditions in developing countries to be improved, the countries themselves must first and foremost pursue a sensible policy. Every government has a duty to create the best possible conditions for the citizens in their country. It has a responsibility to formulate an economic policy that ensures sustainable economic growth; a responsibility to create the necessary conditions to enable the private sector to expand; a responsibility to build a society based on the rule of law necessary for attracting investment and promoting business; a responsibility to establish the democratic rules that are the guarantee for the fundamental rights of freedom and for enabling citizens – via free and fair elections – to make their government accountable for the results achieved; and a responsibility to formulate a policy that eradicates poverty in the country. In this way, governments take on a responsibility to create an effective and well-functioning public sector that fights corruption and ensures citizens the best possible services within the budget available.

Work must be done to achieve definite improvements in the field of human rights and democratisation everywhere in the world. The Government will enhance Denmark's and the EU's efforts in North Africa, the Middle East and the countries in the Gulf. This is also an obvious issue for constructive cooperation with the USA. Dialogue with regional organisations such as the Arab League, the Organisation of the Islamic Conference and the Gulf Cooperation Council must be developed. In Asia and Africa, democracy and human rights must be supported as the foundation for stability and development in the region. Finally, democratisation, good governance, respect for human rights and the principle of the rule of law must be strengthened as fundamental elements in the EU's assistance.

With regard to the work in the Muslim world, it is especially important that the efforts are not perceived as "cultural imperialism", and that it does not take on the character of missionary work. Renewal must occur with respect for local values and in a way

that has the support of the populations affected. Only in this way is there a chance of success.

As part of Denmark's and the EU's stronger focus on the Arab world, the Government will explore the possibilities for strengthening the dialogue process with the Middle East. An inspiration in this connection could be the Helsinki Process, which in the 1970s and 1980s made an important contribution to the promotion of democracy and human rights in the former Eastern bloc, and which was an important prerequisite for the fall of the Berlin Wall.

The Government will actively seek to promote this initiative through dialogue with our partners, both bilaterally and multilaterally.

Free Trade and Market-based Economic Development

The liberalisation of global trade is a prerequisite for development. All efforts to help developing countries in this respect will be fruitless if they are not given the opportunity to sell their goods on the world market. There are still considerable obstacles to this in the form of customs duties, quotas and technical trade barriers, which hit poorest countries hardest. The poorest developing countries are still totally dependent on a certain few raw materials and agricultural products.

Developing countries need better market access and support in order to have a stronger say in the WTO. In the forthcoming WTO round Denmark will work for free access of the least developed countries to the markets of the more developed economies and for the phasing out of subsidies. Experience has shown, however, that the problem facing the poorest developing countries is often the inability to exploit trade benefits. The Government will increase its support for the implementation of trade agreements and for the utilisation

of market access through increased and more varied export. Internationally, Denmark is one of the most active industrialised countries when it comes to establishing and financing organisations that support the integration of, and interplay between, trade and development. An effort that enables developing countries to better exploit their trade opportunities can increase the yield many times over. It is imperative that the private sector is involved in the development work – also in the form of equal partnerships between state and enterprise.

* The Government will intensify special, targeted efforts within trade and development.

- The Government will establish a fund for strengthening the so-called Public-Private Partnerships which combines state and private initiatives in developing countries, as a new initiative aimed at strengthening the participation of the private sector in development cooperation.

Refugees, Relief Aid and Adjacent Areas

Wars and crises create refugees. Underdevelopment and unemployment lead to economic migration. The population growth in developing countries further exacerbates these problems. According to the United Nations Development

Programme (UNDP), the population in Africa is projected to increase from 780 million to approx. 1,090 million by 2015 (approx. 39%); the population in North Africa will increase from 174 million to 220 million (26%); the population in Asia will increase from 3,670 million to approx. 4,360 million (19%); and the population in Latin America will increase from 516 million to approx. 626 million (21%).

According to the United Nations High Commission for Refugees (UNHCR), over 70% of the world's refugees are to be found in developing countries. The presence of these very large groups of refugees in poor adjacent areas increasingly creates problems – particularly in the many places with prolonged conflicts. Refugees and internally displaced persons are far too often pawns in a game played by irresponsible rulers. The pressure on the EU's borders is growing as a result of illegal immigration and the cynical exploitation of people in need by smugglers of human beings. Women and children are often the most vulnerable group and they are in particular need of help. Helping refugees as close to their homes as possible will make it easier for them to return and also reduce the political problems arising in the host country.

* The Government will increase support to refugees, relief aid and efforts in adjacent areas. The strategy for adjacent areas must be further developed and among other things focus on maximising coordination of the repatriation efforts for refugees resident in this country, which is currently under consideration. We must eradicate illegal migration and smuggling and trafficking of human beings.

* The Government will work for an improvement of the conditions for providing humanitarian aid through establishing the right to provide relief aid and strengthening the rules regarding protection of UN personnel. No one must be allowed to prevent relief aid reaching civilian populations.

Poverty

Over one billion people continue to live in abject poverty, and many more live for shorter or longer periods of their lives in an existence characterised by poverty and the fear of poverty. Far too many children are born into poverty. With the current population growth rate, there will be more than 250 million more mouths to feed in Africa in 2015. In 2025 there will be over half a billion more people in Africa, which means that half a billion more school places and later apprenticeships will be needed if Africa is not to become even poorer than today. If no dramatic development takes place, this population increase will lead to even deeper poverty, and problems associated with this poverty will become even further exacerbated – for the entire world. There is a vast difference between the daily conditions experienced by people in the rich and poor countries. Together with the population growth rate, this difference threatens political stability and security, first and foremost in poor countries but also in our part of the world.

An effective battle against the world's poverty problems is a prerequisite for stable and sustainable global development. And a preservation of natural resources and biodiversity is in many regions a prerequisite for economic growth. Behind oppression, refugee influxes and impending environmental disasters lie widespread global poverty, and this represents the greatest challenge of our age for the international community. With the UN's adoption of the "Millennium Development Goals", and particularly the goal of halving the number of poor people by 2015, a

clear international development goal has for the first time been formulated. Fulfilling the goal requires, however, a strong and unmistakable political will among both industrialised and developing countries. The Johannesburg Summit on Sustainable Development in September 2002 added another aspect to the Millennium Development Goals, which is the ambition by 2015 to cut by 50% the number of people without access to pure drinking water and sanitation.

Denmark's development assistance must be further enhanced and focused with a view to strengthening its impact on reducing poverty. The poorest countries in Africa must continue to be our priority. We must strengthen the important investments within education, health and water supply. The poorest countries and those most in debt must within the framework of international cooperation be helped to reduce their debt to a manageable level. Denmark's development assistance must be targeted at investments in people. In relation to poor countries, Denmark must work harder to mobilise the human resource potential that is the driving force behind change in any society. Personal security as well as economic and political freedom is prerequisites for a self-sustainable development process that fosters stability and progress.

* The Government will strengthen cooperation with programme countries that have shown a willingness to take responsibility for their own development. The cooperation with eight programme countries will be targeted more closely towards investment in people with the establishment of nine new sector programmes within health (e.g. HIV/AIDS), water, sanitation and education. Special emphasis will be placed on taking women and children into account in both the design and implementation of the activities, including a special effort in the field of reproductive health and action to eradicate female circumcision.

* The Government will strengthen work with health and population issues through the UN and other international organisations with special emphasis on the battle against HIV/AIDS.

Global Environmental Problems

The Johannesburg Summit in September 2002 again emphasised the close link that exists between environmental and development problems, both on a local level in the poorest developing countries and on a global level.

Environmental and social considerations must be incorporated in global economic cooperation. There is reason to have special emphasis on protecting the global environment in those countries and on those measures where the greatest environmental benefit can be achieved.

With the Kyoto Protocol the framework has been established for pursuing a global solution to global climate changes up to 2012. A significant element in the Kyoto Agreement is that efforts to address global climate changes must be capable of being targeted at those areas where the greatest environmental benefits can be derived from the investments, which will often be in developing countries. The Kyoto Protocol therefore opens up great opportunities for developing countries to implement a radical modernisation of, for example, the energy sector financed by industrialised countries.

* The Government will contribute to financing a number of climate projects in developing countries and in Central and Eastern Europe. The projects will involve the transfer of capital and know-how to the countries and contribute to opening the market for greenhouse gas credits. The projects will be effective in helping to reduce the global emission of greenhouse gases and to combating global climate changes. The projects will also contribute to helping Denmark fulfil its obligations under the Kyoto Protocol.

* The Government will continue to contribute to maintaining the EU's global leadership in the environmental field.

Conclusion

With this report, the Government has presented its vision for the new key priorities for a focused Danish foreign policy based on a clear set of values. The aim is not to provide an overall picture of Danish foreign policy, but rather to describe the new key priorities for Danish foreign policy in the years ahead.

At the beginning of the 21st century Denmark faces new opportunities and challenges on the international scene. Through pursuing a new active foreign policy that has a European, a transatlantic and a global dimension, all closely integrated, we will be able to promote Danish interests and values in a changing world.

A clear goal for the Government is a strengthening of the EU and of the relationship with the USA. The EU must be made stronger both internally and as an actor on the global scene. EU membership is crucial for Denmark's ability to promote its values and interests. The transatlantic ties between Denmark and the USA, and between Europe and the USA, are key elements of our policy. More than ever there is a need for a combined effort in the world from Europe and the USA.

The international rule of law and respect for human rights must always remain a high priority. Our international involvement must be used to promote development towards a more just and well-ordered world. Denmark's candidature to the UN Security Council in 2005-2006 is one important aspect that must be exploited in this direction. Extremism in all its forms remains the greatest threat of our age. After 11 September 2001 and the war in Iraq, Denmark must take initiatives to defuse the tensions between the Western world and the Arab and Muslim world. Supporting moderate energies will enable us to promote common understanding and common values.

Denmark's foreign policy is the sum of our efforts in respect to the outside world, pursued through, among other things, European, development, security, defence and trade policies. Our efforts must be coordinated and coherent, so that we achieve the best possible results for Denmark, for Europe and for the World

June 2003

**Ministry of Foreign Affairs 2 Asiatisk Plads DK-1448 Copenhagen Denmark
Phone: 33 92 00 00 Fax: 32 54 05 33 E-mail: um@um.dk Netsted: www.um.dk**