Address given by Karel De Gucht on the revival of the European Union (Florence, 6 July 2005)

Caption: On 6 July 2005, Karel De Gucht, Belgian Foreign Minister, delivers to the European University Institute (EUI) in Florence an address in which he proposes several solutions aimed at enabling the European Union to emerge from its current crisis following the rejection by referendum in France and the Netherlands of the ratification of the Treaty establishing a Constitution for Europe.

Source: Speech by Karel De Gucht. [EN LIGNE]. [s.l.]: [26.07.2005]. Disponible sur http://www.iue.it/AEL/pdfs/DeGucht.pdf.

URL:
http://www.cvce.eu/obj/address_given_by_karel_de_gucht_on_the_revival_of_the_european_union_florence_6_july_2005-en-908b14d8-8402-4632-b5c0-3176e12a07bf.html

Publication date: 22/10/2012

Deliver in order to win the debate

How to respond to the setbacks of the French and Dutch referendums and the June European Council

Ladies and Gentlemen,

Since the 29th of May, the day the French cast their votes on the Constitutional Treaty, the tone set by the media in their reporting on European affairs has been one of doom and gloom. There has been, of course, a lot of news to feed pessimism. The Dutch expressed an even firmer ‘no’ than the French; the UK, followed by a few others, decided to suspend its own ratification process and, if that were not enough, the European Council failed to reach an agreement on the financial framework for 2007-2013.

There is no denying that the events in France and the Netherlands are serious setbacks. They almost make one forget that eleven Member States have already ratified. When the Treaty was signed on Rome’s Campidoglio last October, it was expected that some countries might face difficulties in their ratification process, but the founding members were generally considered safe bets. The now famous Declaration 30, attached to the Treaty, ‘on the ratification of the Treaty establishing a Constitution for Europe’ was not written with the original six in mind.

The facts are one thing, interpreting them another. Many commentators, often in the anglo-saxon press, have presented the outcome of the French and Dutch referendum as irrefutable evidence of the people’s rejection of the goal of an ‘ever closer Union’ and of the demise of Europe’s political project. They have declared the new Treaty dead and have called for the halting of the ratification process throughout the Union. Carrying on in the same vein, they recommend to scale back the actions and ambitions of the Union, except with regard to further enlargement.

Accepting this analysis would have tremendous implications for the future evolution of European integration. Abandoning the Treaty without any clear alternative would mean that last year’s large-scale ‘widening’ will not be paralleled by the necessary ‘deepening’ in order to strengthen the EU’s institutions and their capacity of decisionmaking. We would have a much bigger building but without reinforced foundations, with all the attendant risks of collapse.

The central plea of my speech of this afternoon is that everything must be done to prevent this weakening of the European project. There is no point in resigning oneself and writing off the new Treaty as there is no sound alternative. On the contrary, to stem the negative tide, the European Commission, actively supported by as many governments as possible, should quickly put together a concrete action plan with a timetable covering the next 24 months and dealing with packages of important unfinished business in the Union’s core policy domains. It is my profound conviction that only through taking decisions, and ensuring their implementation, on themes that are of genuine concern to voters, and by giving credit for this to the Union where it is due, that the climate can be created for an eventual turnaround of public opinion by the time that national political calendars would permit to revisit the issue of the new Treaty. The Union currently suffers from a serious delivery gap. If it is not addressed, other efforts to sell Europe better will be of little avail. ‘Deliver in order to win the debate’ is therefore the main leitmotiv of my speech.

Should in the end the Constitutional treaty never be ratified by all and thus come to die, the key questions on European integration will have to get back on the table in the course of 2007. As with the disappearance of the Constitutional Treaty the balance within the European integration project would be broken, no thoughts on the future should then be barred. They should include the use of enhanced cooperation to make progress among the capable and the willing, or, more radically, initiatives outside the existing Treaty framework. New steps in integration that do not involve all are admittedly ‘second-best’ but history has demonstrated that they can play a tremendous catalyst role. Or don’t we consider monetary union, Schengen, the European Security and Defence Policy or the Social Charter great milestones?

My speech is built up as follows. I shall first take a closer look at the current crisis and its causes. Subsequently, I shall point to some pitfalls we should avoid in our quest to overcome the crisis. Afterwards,

I will get back to basics and dwell on the query what the Union should concentrate on. In the final part, I shall set out in greater detail the contents of the just mentioned action plan for restoring confidence.

I. The anatomy of the crisis

When referring to the current crisis, observers tend to mention the negative referendums and the breakdown on the Financial Perspectives in the same breath. They are, though, of a very different nature.

Although the media splashed out the dispute on the front pages, the significance of the current disagreement on the Financial Perspectives must not be overplayed. A debate on what to spend hundreds of billions of € on for a period up to 9 years from now and on who should pay is intensely political and inevitably tough. Think for a moment of the squabbling there would be if a national coalition government would have to decide on the multi-annual ceilings for the main types of expenditure! To be sure, a decision by the European Council on such a high-profile matter would have been very welcome as a signal that the Union is still in good shape. All the same, we are still 9 months ahead of schedule, compared to the timing of the Berlin accord in 1999. Moreover, there are good reasons for the UK to try and sort out the deadlock during its own presidency. The new Member States, whose interests the UK takes very much to heart, would notably be the biggest victims of no deal in good time. I can hardly imagine that the UK underestimates the political significance of not reaching an agreement during its Presidency.

By contrast, the rejection of the constitutional treaty is clearly a much more serious problem. The oft-criticized Treaty of Nice will not permit the necessary progress in efficiency, transparency and democracy in an enlarged Union. The new treaty would allow great strides forward from each of these three angles.

The move to qualified majority voting in domains like asylum, migration or terrorism, or the innovations in the external policy field would make European decisions easier to attain and would strengthen the coherence and thus the effectiveness of our common foreign policy. As a matter of fact, the prospect of the coming into effect of the new treaty already produced in the External Relations Council a beneficial anticipatory effect in that Mr. Solana was already allowed a role that should normally come with his position of EU foreign affairs minister. If now the conviction grows that the treaty will never see the light of day, Mr. Solana’s position may undergo an adverse effect. Efficiency is, rightly, a key concern for those advocating reform in Europe. It is one of the many paradoxes surrounding the negative referendums that increased efficiency is now denied to institutions that are usually accused of being so unwieldy.

As to transparency, the new Treaty consolidates a wide set of texts and streamlines the various types of decisions the Union can take. Also, in future national parliaments would be able to oppose Commission proposals that would encroach unduly upon national competences. Those who protest that the Union tends to move into every nook and cranny of life surely should find this a useful lever.

On democracy, the new Treaty would grant a host of new competences to the European Parliament and the co-decision procedure would become the general rule, also in agriculture where Parliament is far more reform-minded than the Council. The clearest victim of nonratification is Parliament. So much for mending the democratic deficit!

Of course, this does not mean that the new Treaty is the best imaginable. As it is the result of compromise, it displays shortcomings. Belgium, for instance, had wished that the Treaty would be more ambitious in several domains, especially qualified-majority voting. For us, the new Treaty was a sort of minimum of ‘deepening’ and it is therefore all the more sobering to witness the current difficulties.

Some provisions could be introduced without changes to the existing treaty, but that would amount to politically risky manoeuvres ‘through the backdoor’. The Treaty is the fruit of a balancing exercise between divergent preferences of Member States and a fall-back position purely based on a legal analysis of what is possible without ratification would disturb that balance. What is legally possible is not necessarily clever politically. Anyway, this issue is likely to remain academic. Taking this path appears already to have been ruled out by the Dutch government.

The new Treaty took the better part of two years to prepare. It was the result of a consultation process that was broader than anything seen in the past with earlier Treaty modifications. In an enlarged Union, this is arguably the best compromise that could be struck. It is far from obvious to contemplate a ready alternative, a plan B. The new Treaty is the only answer available to the need of deepening. The conclusion has therefore got to be that, however slim the chances look at present, the prospect of eventual ratification by all 25 needs to be kept alive. Anyway, any possible second consultation of the French and Dutch electorate has to await the next elections in both countries during the first half of 2007.

If the new Treaty is ever to become law, a majority of voters in all countries that rely on a referendum has to be persuaded sooner or later that it is in their interest. In the case of France and the Netherlands they said, on balance, no. Why did they do so?

Undoubtedly, there are numerous and complex reasons. They merit a careful analysis. This is also what the European Council has called for during the period of reflection that will run into the first half of next year.

Many causes have certainly to do with the national political scene, with little or no connection to Union affairs, let alone the contents of the Treaty. In France and the Netherlands, but also for that matter in many other Western democracies, people show signs of rapid disenchantment with their governments, giving rise to a general feeling of frustration vis-à-vis the elite. This phenomenon, incidentally, is not confined to the world of politics. It is also observable in other parts of society. In any event, ‘Europe’ is typically seen as an elitist project.

Last year’s enlargement and the prospect of a further round, in particular involving Turkey, is another factor that seems to have played in both countries an important role in shaping negative attitudes. The wholesale enlargement from fifteen to soon twenty-seven, taking in about 100 million people with whom the population of EU-15 generally may not have as lively historical or cultural affinities as in a more distant past, and who it sometimes sees as rivals for jobs and aid from the EU budget, has caused reactions of retrenchment and alienation from the European project. With the benefit of hindsight, I believe it is correct that more efforts should have been invested in selling enlargement to the people. Perhaps, these efforts were not made enough because enlargement never had to pass the test of referendums.

The concerns of the people being understandable, I want to stress once again that enlargement was and is very wise on political as well as economic grounds.

Enlargement is often placed in an unfavourable light as it seen as bearing the symptoms of the evils globalisation brings about. My view is actually quite the opposite. Enlargement is a very sound method to harness the forces of globalisation so they are of mutual benefit to all parties involved. The acceding countries introduce in their domestic legislation the entire body of EU rules - the so-called ‘acquis communautaire’ – which guarantee that trade flows and movements of capital and labour occur on a playing field that is sufficiently level. Companies, investors and workers can exploit their competitive advantage in the expanded internal market of nearly half a billion consumers but within a common framework of norms.

Enlargement thus keeps in check the ‘dark’ side of globalisation associated with unfair competition and social and environmental degradation. In order to drive home this message, both the Member States and the Union have a major pedagogic task on their hands.

Moreover, enlargement did not happen overnight. Between the fall of the Berlin wall and the final accession lie fifteen years. Admittedly, the functioning of the institutions has become much heavier. I can tell from experience that it is a challenge to have a real dialogue in a Council meeting of 25 ministers. This increased burden is, of course, one of the prime reasons why the new treaty is truly necessary.

Then there are some tendencies – which can be found in basically any Member State – in national discussions on Europe that influence public opinion negatively.

On the one hand, ‘Europe’ often serves as a convenient scapegoat for unpopular measures. The need to curb public deficits, pass stringent environmental restrictions, open up international trade or the inability to hand out state aids comes to mind. This practice, which is by no means new but has flared up recently, e.g., in the context of the stability and growth pact, is disrespectful on a dual account. First, such national measures are often not a direct, inescapable EU obligation. Second, to the extent that they are, European rules are in the end based on Council decisions, that is to say, of Member States themselves. A similar pattern of behaviour shedding a poor light on Union membership can be found in the budget debate, notably the question of net contributions. Council president Juncker stated that in his bilateral meetings with the other governments, at least four had argued, figures in support, that they were the biggest net contributor and therefore deserved special treatment. Indeed, the question of budgetary equity must not be shirked, but the national debate on this subject has verged on the obsessive. Or how else should one describe the threat of toppling the government if it would not return from the summit with an annual cheque worth 100 € per inhabitant, or 0,1% of national GDP ?

On the other hand, and at the other extreme, there are those who present Europe as a solution to problems that are either very tough or for which the EU does not possess an obvious advantage compared to national or regional governments. For example, there is an often expressed belief that only through Europe we can stop delocalisation or preserve our ‘social model’. When expectations are lifted too high, disappointment is bound to follow.

These tendencies go a long way toward explaining why some turned down the treaty on the ground that it allowed ‘too much’ Europe, whilst others said no because it would give Europe too little power.

However, quite apart from these important issues of distorted presentation and communication, there is the more fundamental, in fact quintessential, question of the EU’s relevance for ordinary people, especially the younger generations. It came as a shock to many, including myself, that the young were seemingly more negative than average on the new Treaty. This is worrying, of course, as the young determine the future. For those under 50, peace in Europe is seen as self-evident and is therefore not a justification for further integration. However, on more pressing concerns such as economic growth and jobs, the sustainability of our ‘model of society’ - however elusive to define! - the environment or threats to security, the Union – as well as many Member States – are perceived as failing to deliver. Most of the people who voted no, or, for that matter, yes, and who were wearing ‘European’ glasses, did not cast their ballot after a good reading of the text at hand. That is not a reproach, for the percentage of citizens who have a fair grasp of their national constitution is equally tiny. These people voted with their guts. Those who said no did so probably out of a sense of unease, of fear of not being able to keep up with a world that is changing fast and becoming more globalised by the day. Although this clearly presents more opportunities than risks, the latter are felt more strongly.

The Union is seen as being long on words and short on effective remedies. This perception can only be tackled in earnest by action. We now need to "walk the talk".

Today’s spirits on Europe are low. Crisis is the talk of the day. Yet, we have been here before. It is true that the current situation is without precedent in that two of the founding fathers have stumbled in the quantum leap that the new Treaty has been designed to make. But, at the same time, those who are familiar with the history of European integration cannot escape a certain sense of "déjà vu".

Indeed, in the early eighties, Europe was not a very popular topic either. There was much talk back then of ‘eurosclerosis’ and a waning belief that Europe could overcome its structural problems and close the gap with the forerunners of the time, notably Japan. There was too a similar scepticism as today on the useful role the European institutions could play. Nevertheless, we managed to get out of the troubles. I shall return later in this talk on why in my view we did and on the lessons that episode may hold to get over the present slump.

II. What not to do

Crisis is a word derived from ancient Greek and originally signifies ‘choice’. When strategic choices need to be made, the don’ts are as important as the do’s. There are several things we should not do as long as the fate of the new Treaty is in the balance.

When further advances in European integration are getting more difficult, or when the need to compromise makes it hard to get to a meaningful EU position, there is often the inclination to try sub-groups in order to move forward. This may bring some psychological comfort but it cannot be the first option for getting out of the current impasse, at least not during the next two years.

Pursuing the option of a vanguard Europe around a core of founding Member States is not practicable in the foreseeable future because of the two no’s and because Germany has entered an electoral period that will probably last until well in the autumn when the new government has come to power. And even if it were in perfect shape, the traditional engine of integration may require some additional horsepower to pull along 25 countries.

Similarly, it would be misguided to think in terms of large countries as leaders and small countries – and the Commission – as followers. If anything, this time around, the large countries exhibit less potential than usual to blaze the trail because they are either vulnerable domestically or because their mutual antagonism makes it hard to forge a meaningful common stance.

Also, the split between ‘old and ‘new’ Europe serves little purpose. There are likely to be ratification problems in both old and new Member States and it was not ‘old’ Europe that withheld its support for the final Luxembourg compromise on the Financial Perspectives, which the new Member States are very keen on. Finally, it may also be pointed out that there are ‘old’ countries – if I may categorize for example Spain that way – that have not done badly at all in recent years on the growth and jobs front.

What under the present circumstances does not appear very fruitful either is a renewed, wide-ranging ‘tabula rasa’ debate on the future of Europe. To start with, there has never been a broader and deeper debate on Europe than during the Convention following the Declaration of Laeken, and that is only three years ago. The Convention assembled plenty of national members of parliament and representatives of civil society, so the ‘Europe from below’ was able to make its voice heard. It is therefore uncertain what value added a new forum would generate. What is certain, however, is that it would again absorb a lot of political energy, make us inward-looking, and reinforce the populist message that Europe is little more than an expensive talk-shop.

While we are fighting for the Treaty’s survival, we cannot afford to get bogged down in another general debate or a clash of visions. Instead, pragmatism is what is needed.

Whether we like it or not, the 25 are in the same boat and we can only get out of the present ratification troubles together. I would like to stress again that Belgium likes to be in that boat. We have been firmly in favour of last year’s enlargement and have no second thoughts.

III. Why the Union remains a vital project

The future now being thrown in doubt by the double no and the reactions to it, it is advisable to get ‘back to basics’ and revisit the fundamental question: ‘What is the EU good for?’ because, like all institutions, the Union is a means, not an end in itself. What can Member States achieve by pooling parts of their sovereignty at Union level that they cannot accomplish on their own? It is the replies to these ‘subsidiarity’ kind of questions that should define the ‘core business’ of the Union and on which one has to concentrate when integration ideas are on the defensive. Politicians at Union and national level have to show they understand that not every problem in Europe is a problem for Europe and that Europe should work on what it is or should be good at.

The general political answer to the questions just raised is that the Union should act – within the constraints of the Treaty – in those policy areas where national autonomy causes major (positive or negative)

consequences for other countries, when there are clear economies of scale that cannot be reaped by Member States on their own or where together we can exert more influence on the course of world events – provided we can speak with one voice.

Moreover, as a result of enlargement, the Union has become clearly more heterogeneous. The resulting decline in the common denominator of interests and preferences is another reason to focus on the essentials.

More specifically, the EU's 'core business' relates first and foremost to economic and monetary union (comprising cohesion as well as social and fiscal minimum norms inasmuch as they are indispensable for the proper functioning of the internal market), R & D, Trans European Networks, cross-border environmental problems, justice and security, and common defence and external policy.

The areas that fall under these categories are thus definitely vital for the well-being of the present and future generations of EU citizens as they impinge on growth and jobs, the environment, security and global threats. If these subjects are not relevant, what is?

It thus comes as no surprise that surveys find that these are indeed domains in which public opinion wants a stronger Union – even if it is critical towards integration as such.

As I did not mention it in my list of 'core business' you may wonder where this leaves the Common Agricultural Policy, a subject of fresh controversy. In my view, agriculture will always stay a common policy, with an internal market, a single international trade stance and flanking measures in the veterinary and phyto-sanitary field. However, the ongoing reforms launched since the start of the nineties have radically changed the nature of the CAP. The forthcoming changes in the sugar, wine and dairy sectors will no doubt reflect the same approach. These reforms have cut in very large degree the connection between subsidies and the operation of markets. Subsidies are no longer linked to yields or to what farmers grow; they are 'de-coupled'. When farmers obtain decoupled income support or when they are paid for services to the local society, e.g., for the maintenance of the environment or the landscape, it is not at all obvious why such subsidies should keep on coming exclusively from European coffers. However, as a lawyer I also believe in the principle of 'pacta sunt servanda'. The agricultural budget agreement, unanimously reached in October 2002, has to be respected, definitely by those who negotiated it personally at the time.

IV. Restoring confidence

Let me underline again that to my mind it is only renewed belief in the EU as a solution or at least part of a solution to important problems that citizens will be prompted to join the 'yes' camp. What Europe needs above all are concrete actions, not grand words, which help restore confidence in the integration project.

The European Community managed to leave behind a similar crisis in the mid-eighties thanks to basically three factors. First, a broad consensus, reached in 1985, on Europe's ailments and on remedies; second, an ambitious, but realistic and detailed plan hatched by the then Commission under Delors that became known as the 1992 programme to complete the internal market; third, the adoption of the Single European Act that took effect in 1987 and enabled majority voting in a large array of internal market related domains.

Evidently, the third factor is absent today, and as a matter of fact the very purpose of the launching of a new action of this kind would be to secure a new Treaty change.

The scope of the new action should take into account the development of the European remit over the last twenty years. The spectrum of European policies having expanded greatly, any new initiative seeking to restore confidence and hence allow an integration momentum that citizens can accept, has to cover many more themes than the purely economic.

Concretely, the current pessimism and confusion has to be countered by the announcement of policy packages to be adopted over the next two years to address important unfinished files in each of the 'core business' segments. These policy packages should be as operational as possible and be realistically

ambitious. Crucially, they should only contain measures for which the Union bears clear responsibility. If the aim is to rebuild confidence in Europe, it must not get the blame for things it cannot help.

Cynics may respond right away that this looks very much like an extension into other fields of the Lisbon program, and that the latter is not a model to copy. Indeed, they may go as far as to say that Lisbon is characteristic of what is wrong with Europe: sky-high ambitions, lack of focus, an excess of actors, and little to show for. The jury is still out on the validity of the revised strategy. However, Lisbon is different in that responsibilities reside chiefly with the Member States.

Be that as it may, it is crystal-clear that any new programme simply must not fail. It is therefore wise to try and craft packages with a reasonable ambition and time-table but on matters that public opinion does care about.

What may be good candidates for this two-year ‘restore confidence’ programme?

Central to any package is the successful conclusion of the Financial Perspectives well in time for the orderly implementation of programmes from 2007 onward. The budget is the backbone for actions in virtually all areas of EU competence and is therefore a conditio sine qua non. To connect with the citizen, it is important that the new Financial Framework, while duly taking into account the needs of the new Member States, foresees cohesion assistance across the entire EU territory.

In the field of Economic and Monetary Union, there is the observance of the revamped rules of the Stability and Growth Pact, the regime for the liberalisation of services – where aside from the directive, it may be useful to table a well-delineated proposal on services of general interest - the revision of state aid rules, a pro-active stance to bring the Doha international trade negotiations to a good end – which requires further agricultural reform, notably on sugar - the adoption of the 7th R&D framework programme, and demonstrable progress on some highprofile Trans European Networks.

As regards the environment, attention should be directed primarily to climate change, in particular the refining and extension of emissions’ trading, and the adoption of the REACH directive.

With respect to Justice and Home Affairs, the following actions of the Hague programme could be focused on in the package: a common asylum regime and harmonised visa policy; the management of external borders, and rules on the exchange of personal information between Member States.

Finally, as to external policy and defence, the package could comprise the following action: the creation of a strong EU response capacity to disasters (which the aftermath of the tsunami showed the Union does not yet possess), the further development of joint military and civilian capacity such the Battle Groups and the Defence Agency and, to break new ground, the establishment of ‘core groups’ to enhance EU foreign policy making.

As the concept of ‘core groups ‘ is novel and given my position as foreign affairs minister, allow me to shortly digress on this point.

How can we strengthen the foreign policy of the EU, as part of the ‘restore confidence’ package, taking into account both the growing heterogeneity in member states external interests and the need to strengthen the legitimacy of the EU? My proposal aims to tackle one of the oft-overlooked obstacles in EU foreign policy: that is the lack of interest member states have in EU foreign-policy vis-à-vis specific issues.

For a large number of foreign policy issues that are not topping the international agenda, inaction at EU level has typically to do with the fact that - as a result of historical, geographic, economic or other reasons - only a few member states are keenly interested in formulating an active policy. However, this EU inaction creates disappointment and frustration in those member states that consider these matters as highly important, It thereby undermines the legitimacy and relevance of EU foreign policy for the population in these member states.

In my view, in an enlarged EU with increasing diversity in foreign policy interests, we have to make positive use of the willingness of some member states to stick out their neck and to take the lead in specific foreign policy dossiers, such as, say, Somalia or Congo. My proposal is thus to develop a mechanism of functional specialization and division of labour, through the creation of EU core groups for specific foreign policy dossiers.

An EU core group would consist of the High Representative, the European Commission, the Presidency, and a group of member states that are able and willing to devote extra diplomatic efforts to a specific foreign policy matter. While the full membership of these EU institutions guarantees that the activities of the core group will not work against other EU interests, the presence of the ‘able and the willing’ should greatly boost the width of EU foreign policy.

Once the ‘restore confidence’ programme has been made up, it should be announced jointly by Commission, Council and Parliament in order to signal that it constitutes a genuine EU endeavour.

However, someone has to take the initiative to fully draft and sell such a programme to the others.

Given its treaty tasks, the Commission should take the lead. Now is the time to drop inhibitions and come forward with bold initiatives. The Barroso team should draw inspiration from what Delors did back in 1985 and come up with a mobilising initiative.

In parallel, as large a group of committed countries as possible should canvass support. Large and small, old and new, should live up to the challenge.

Ladies and Gentlemen,

It is typically in times of crisis that new ‘leaders’ emerge. By leaders I mean countries that are prepared to fight for the longer term common gain even if it may imply short-term pain for themselves on some points. The longer term common gain in the years to come is the survival of the Treaty, which all government have considered indispensable to reconcile the widening and the deepening of the Union.

Despite the two no’s, let us have confidence. The belief in European integration has proved to be remarkably resilient. History is there to back up this claim. Less than twelve months after France had voted down the European Defence Community in 1954, the Messina conference, which produced the blueprint for the EEC, had already begun.

If in a few days’ time the Luxembourg people give their green light and other countries, including my own, complete in coming months their parliamentary approval process, things will start to brighten again.

In any event, Belgium stands ready to play an active role in any operation to get the integration project back on track. For our European creed has remained unaltered, through thick and thin.