

SPEECH

"REGAINING THE INITIATIVE FOR EUROPE"

TO **THE** COLLEGE OF BRUGES

GIVEN BY

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I.

The world context for uniting Europe has changed beyond recognition. There are those who say that is why the very justification for Europe and for common action has diminished.

The European Community was born out of the ashes of war between France and Germany. A renewed war in Western Europe is now out of the question. Germany and France are locked into partnership, not just through the European Union, but in a myriad ways which makes war unthinkable. It is, in part, the great success story of the Union; but the success has altered the context. Nevertheless, German-French friendship and cooperation remain the precondition for lasting balance and stability in Europe.

The European Community was also the child of the Cold War. From the end of the war onwards there was a generally perceived external threat. The collapse of the Berlin Wall in **1989**, and the dissolution of the Soviet Union soon afterwards has removed the most tangible manifestation of an overwhelming external threat. Of course, the **Cold War** may be over, but peace and order have not been achieved. We no longer face the military threat as we did through the Cold War years, nor do we confront a totalitarian ideology which was obliged to seek its own export. But yet, there are still many dangers, in the uncertainty and turmoil to our East, and there are new perils from the South with the rise of economic and social problems, extremist movements and state terrorism.

But the world has changed in other ways.

Europe was the cradle of the modern, industrial progress. Other parts of the world, so influenced in that development by Europe, are now taking the lead over Europe. I do not think we have really begun to take the measure of the effects of the globalization of the world economy.

We had already come painfully to terms with the fact that the bulk of world industrial production has been diverted to outside Europe. One by one, our traditional industries - steel, shipbuilding, textiles - have withered away, as cheap labour competitors, mostly outside our continent, have conquered the world markets.

Our European economy **is**, quite frankly, falling behind. In just five years, from 1987 to **1992** we suffered a loss of almost 18% in our competitiveness, compared with our main competitors. Other countries, particularly, but not exclusively, in South-East Asia, look set to dominate the key new economic sectors of semiconductor technology, biotechnology, and, I fear above all, information technologies.

We are paying the price of relaxing our research efforts. Our public research and development spending is lagging behind the American and Japanese efforts, by up to **50%**. And for fifty years, from the development of the first computers, we have allowed others to exploit successfully the results of our own brilliant scientists and inventors. An European Union which continues to spend one billion **ECUs** per year on subsidies for

tobacco instead of developing new materials may not be short of money but is definitely short on ideas.

A second economic revolution is under way. And it is at work at lightning speed. It is not just heavy industry which is being delocalized, but increasingly the service sector as well. When we learn that Swissair has decided to locate all its ticketing operations in India, it acts as a warning for the service industry in the Union as well. The information superhighways must not bypass this Europe.

The **chasm** between the average labour costs in European Union countries, and, in, say, China now runs at a factor of nearly one hundred to one. No amount of wage restraint from European workers, or a reduction in labour costs of European firms, will ever bridge that gap.

Commerce in the Union is principally between the Member States, but it is a cruel illusion **to** imagine that we can maintain living standards in Europe **by** relying on some kind of "community preference" to cushion us from the full rigours of world trade.

Europe must start creating something new, rather than forever patching up the past.

The globalization of the world economy pushes us towards a restructuring of our economies, a modernisation of industry and services.

Too many people see Europe as a repair shop for outmoded industries instead of as a centre for innovation.

At the same time, our citizens throughout Europe are having to come to terms with the fact that their own countries count for far less in world councils, and in terms of economic influence, than before.

This lowering of expectations, lack of security and feeling of powerlessness has given rise to a **crisis** of alienation. Large numbers of the electorate in the Member States no longer have any faith whatsoever in the political system. They have simply opted out of democracy.

They are not politically active. They do not vote. Or if they do vote, they vote for populist protest movements, or for extremists, who hold out simplistic, and sometimes, racist panaceas.

At the same time, while nation states can no longer deliver, a growing number of people are putting their faith once more in nationalism.

Against this backdrop of an increasingly alienated public opinion, it is not surprising that **the** European project has lost some of its lustre.

For **if** people have lost faith in democratic politics, Europe, with its remote, incomprehensible, bureaucratic decision-making does little to restore public faith.

In some **ways**, Europe, which **should** have been part of the solution, has now **become** part of the problem.

II.

In the 1950's and 1960's Europe was a vision which inspired. It was associated in the public mind with a number of values - peace, solidarity, cooperation.

We need courageous new projects in this Europe, to renew this vision. We need to galvanize the energies and the idealism of the new generations - generations for which arguments about the last war hold little resonance, fifty years on.

Of course, the greatest worry for people is jobs. They expect action by Europe to put Europe back to work. And this is not simply a question of job creation programmes. It involves restructuring and modernizing European economies to tackle the underlying problem of competitiveness in the global economy.

Europe cannot substitute itself for the national governments, nor assume the economic management of the fifteen Member States. But there is scope for a European contribution, through cooperation, and through financing projects of scale.

This is obviously the case for the transeuropean networks, the proposal to modernize our transport and telecommunication infrastructures. The projects will create short term jobs and a longer term basis for prosperity and competitiveness in **the** regions.

Modernizing Europe's economy must be achieved through the improvement of our research potential: **And** the training and up-skilling of our work-force. The Union shares competence for research and training with the Member States. Our own resources impose limits on what we can do, but selective research projects of a genuine transnational nature could provide a significant added value. The Commission should start work now on a new generation research programme which will **be** qualitatively different from previous efforts.

It is environmental action where our citizens expect the most of Europe. It is environmental protection where Europe can best deliver.

The damage that we have done to our seas, and particularly the Mediterranean and Baltic and the North Sea, poses a problem of scale which none of our Member States acting alone can address. By demonstrating that European action is relevant and efficient for protecting our environment, Europe's institutions can reach out to all categories of our populations **to** win support.

Let us put together proposals, with our partners, at the Barcelona Mediterranean summit, and **at** the Baltic Sea summit **which I** am calling to be held next year, for an action

programme to clean up Europe's seas. And let us bring together the private and public sectors in this joint enterprise.

Another element crucial to Europe's public credibility is achieving monetary union and the single currency on target.

The more prudent **timetable** - agreed at Cannes - must now be adhered to. Progress must now be made **at** all levels on implementation, including a decision this year at the Madrid European Council on the name of the single currency. Expressing in public every day new doubts in this sensitive area triggers off speculation and constitutes a self fulfilling prophecy. **A period** of silence from certain finance ministers, and certain central bank governors, would be most welcome.

What we need is a major public information campaign to **allay** fears and to counteract misinformation. about this single currency. The Commission will shortly **be** responding to my request for such a campaign.

What **we** do not need is to start public speculation about the possibilities for some **Member** States to participate in the single currency at the outset. The **very** last thing we need **is** to open a hugely irrelevant debate about changing the Maastricht criteria. Of course, the criteria should not be weakened; neither now, nor in the future. Finance Ministers should remember that **they** have signed a Treaty, and what they have signed.

Part of restoring the Union's public image, depends on maintaining our credibility. in seeing through the decisions that are taken. **The** single currency was not a decision lightly taken. **It was** necessary to realise the full potential of the internal market: to reduce costs, to maintain competitiveness, We have known for some time that the decisions by national governments on exchange rates are insubstantial when the speculative flows in the world markets amount to more than a thousand billion of dollars per day. Per day!

It cannot **now** be abandoned or postponed, without irreparable damage, not merely to the Union's credibility but to balanced progress towards both political and economic union.

Citizens will only accept the new common currency, when they can be sure that also on other fundamental and crucial matters, common action is taken. On confronting the environmental menace, in developing a common foreign and security policy, and fighting against international organized crime.

The prospect of ~~the~~ European Union becoming a U n i o n for all those in Europe who wish, and are **able**, to join is an exciting one. Helping those who have emerged from **a** dark era of totalitarian dictatorship to reform themselves, to strengthen democracy and to modernise their economies is **a** project on a heroic scale. It is **the** great new project for the European Union. It is an occasion for restating the principles of solidarity on which the European Community was initially founded.

It is **also** one which corresponds to the self-interest of all our Member States. The gradual spread of prosperity to East and Central Europe helps the economy of all the Member States.

But above all, the creation of a zone of stability and peace, free from conflict, throughout our whole continent would be a gigantic gain for us all.

Conversely, if we fail to provide backing for economic and political reform in the new democracies, the consequences will not just be felt in the cities and towns of Eastern Europe. A tidal wave of international crime, drug trafficking, and clandestine immigration will sweep over us all and threaten the security, stability and ultimately, the democracy of the Member States of the Union. Failure would also split the Union, perhaps irrevocably.

Our Heads of Government have unanimously agreed to open the prospective for enlargement. The Union's very credibility impels us to honour this pledge. It would be a lethal blow, to the aspirations of those applicant countries were we to fail. It would be a lethal blow to the Union's own credibility were we to fail.

Because we must not fail we must have a realistic timetable and not an exercise in fortune **telling**. In other words, we are talking about a date beyond the year **2000**. And that date will **be** even further into the future if we fail to make reforms next year.

We will have to adapt and reform the corner stone policies of the Union, the Common Agriculture Policy, the structural funds, and the budget itself. We will have to make changes in the way decisions are taken, before we **can** change the policies themselves. **If** you **graft** on extra Member States to the Union, under the existing procedures, **it** would simply dissolve into paralysis.

The prize of enlargement may be great, but the price must not be too high. **I** do not refer to budgetary costs, to reforms of our agricultural policy and our structural funds, although they will be substantial. We should not, of course, foster the myth that integration of the **East** into the Union can happen without a big transfer of resources. No, the price **I** mean is **the** threat of weakening the Union.

If the price is the dissolving of the Union into a loose, free-trade zone, without common policies, without solidarity, without efficient institutions, then the price will be too high. Because it would not only destroy the construction of Europe which has, for fifty years, delivered security, welfare solidarity for Member States, but also because Poland, Hungary, and the Czech Republic and others want to join a Union that works, not a foundering enterprise.

peace is the great **cause**, in which young and old believe. Peace was the main spring of the European Community. Part of the decline in public support for the Union lies in what **is** seen as the Union's failure to avert bloodshed in former Yugoslavia.

Much of the criticism addressed at our peacekeeping efforts in the former Yugoslavia is unfair. But the Union must play a prominent role in peacekeeping in the future, wherever conflicts emerge, in the Middle East, in Central Africa, and on our own continent.

Our foreign policy is inefficient, and we rarely speak with one voice. Part of our challenge next year will be to find a means of making foreign and security policy for Europe effective, without being too ambitious in a way which could call the whole concept into question.

A genuinely, common foreign and security policy will inevitably raise the question of common defence. This is an issue which must be faced by all our Member States and those who support moves towards European defence must be consistent.

III.

We will not succeed in restoring public faith in Europe; unless the policies of the Union are seen by the people as being relevant. But, there will be no success without institutional reform either. This is what the intergovernmental Conference will focus on. Any substantial reform requires the unanimous agreement of all fifteen governments, of all national parliaments, and in probably half a dozen cases, electorates through national referendums;

We have to accept that the Treaty reform can only be a limited one. But I continue to believe that it must be a substantial one. We just want to make the Union more efficient, more democratic, and more open. We just want it to work better.

In our European Union, Member States will continue to decide on Treaty changes, or new own resources, or new areas of Community competence by unanimity.

But what we really need is that for all routine legislation, voting by majority should be the rule. If more than one hundred items of legislation, ranging from the European Company Statute to the social guarantees for migrant workers, are lying on Council's table, awaiting decision, it is because, for most, unanimity is required. A Union of fifteen Member States, let alone more, cannot decide efficiently this way.

When decisions in Council are taken by majority national Parliaments can no longer hold their ministers fully to account. It is then, and only then, that we want the European Parliament to share fully in the decisions, through positive co-decision on equal footing with the Council.

The Parliament has never sought an exclusive role in decision-making. All Union legislation must have a dual legitimacy: a majority of Member States represented by their governments in Council and a majority in the directly elected European Parliament.

There **is** not a battle pitching the European Parliament against national Parliaments. There is scope for an objective alliance between parliamentarians, national and 'European: National parliaments deciding on all the basic decisions about the future direction of the Union - the European Parliament concentrating on its duty to improve Union legislation, and, more broadly, making Brussels accountable. It is a joint battle for parliamentary democracy.

There are some who say that European citizens do not feel that their representatives in the European Parliament represent them in the same way as their national Members of Parliament in national parliaments; and that, therefore, the European Parliament cannot represent the people in decisions **in** the Union.

It is a mistake ever to have imagined that the European Parliament was going to be simply **a** national Parliament, but on a grander scale. The Parliament functions differently from our national counterparts. **A** multi-language, multicultural, Parliament with scores of national parties in its ranks cannot be a copy of any national Parliament. It cannot aspire to the place, held by national parliaments in the political affections of citizens. But **we** can exercise control on the Commission. We can improve legislation. We can provide a voice for our citizens- **We** can provide a forum for the European peoples in all their great diversity.

The Member States have no option but to succeed. Failure of the Intergovernmental Conference would jeopardize the future financing of the Union and the creation of Monetary Union.

The failure **of** fifteen will not lead to success for **six**, or seven. The idea that, if the Intergovernmental Conference is blocked, then the Foreign Ministers of France, Germany, Benelux and Italy will **decamp** to another conference room, and quickly draw up a new Treaty for some pre-ordained fast track, is pure fantasy.

Germany, the country in which the hard-core idea was promoted, would be torn apart if it was forced to choose between a closer Union to the South-West, and a looser Union with the United Kingdom and the Scandinavian countries - not to mention the East. Those who advocate a new 'hard core' Europe, either misunderstand the problem, or do not genuinely seek Europe's success.

The Treaty impels us to move towards an 'ever closer Union'. And the new global context requires more Europe, not less. Those of us who wish success to Europe have to be realistic. The path towards a stronger Union is steep, difficult and uphill.

I am, and remain deeply committed to the European project. That project lives on. It becomes every day more vital to the peace of our region, to the prosperity of our countries, to the freedom of our peoples.

But the old federalist dream **of** a United States of Europe is dead. The enlargement of the European Union - not this year to **fifteen**, **but** already twenty years ago to nine Member

States - made the prospect of Europe as a federal state, beyond the realms of what is possible, or, indeed, desirable.

We render false service to that project **if** we continue to talk of a European construction which does not, will not, and cannot exist. If we take that federal Europe out of the discourse of politics; we will clarify the debate. And we will have removed at least one windmill from the tiltings of the anti-Europeans.

The European Union that we are building is, and will remain, a Union of Member States. Its legitimacy springs and will spring from those Member States, from their national Parliaments, **and** from the consent of their people. All the really important decisions will continue to **be** made with the consent of all the Member States. If ever we forget this, or neglect its importance, we will make no further progress.

We have reached a certain stage in the development of the European Union. The Union we have built is already more than the sum of its parts. It has supranational institutions, It is a Union of law. Look in vain at other constitutions; and you will find no parallels. Its nature is, and will remain, sui generis.

And that vision remains. It is the vision of bringing European peoples together, in peace and freedom and social justice, **in** an ever closer Union of shared values and common actions

IV.

Some of the reforms which are needed in the way the Union is run do not require Treaty changes.

Public service is everywhere under attack. Nowhere is it so vulnerable as in the European institutions.

Nothing of importance gets decided without the active agreement of the Member States, **by** their governments, meeting in Council, deciding for the most part, unanimously. They decide on **a** Friday, what they characterise on Saturday, in their national press, as Brussels meddling "in the nooks and crannies of our lives".

When national governments and politicians have something uncomfortable to do or to say, how convenient it is to have Brussels as the whipping boy:

- "Brussels has decided."
- "Brussels bureaucrats have forced us to"
- "We are obliged to do this because of the European Community directive" etc.,

So complicated the truth, and so unwilling the media to uncover the truth, that untruths about Europe prevail. And public support for the Union is undermined.

We who are practitioners of European politics day in, day out, know how distorted much reporting of what goes on in Europe is.

We all know that fraud in European Union funds is chronic and that the main responsibility lies with the Member States, where 80% of the irregularities take place. But the European Union institutions must be above reproach; and the misuse and waste of public funds should be punished with the utmost severity,

The bureaucracy in Brussels is in fact rather small: I mean by that. the administrations of the European institutions. Not the army of national or regional officials who now follow European business in Brussels.

The bureaucracy in Brussels is a dedicated one; dedicated to the service of Europe's citizens. As President of a European institution for the last year, I have grown to appreciate the quality and dedication of the women and men who make up our administration.

But, even if the criticism is largely unfair, as it is, we must set a standard of public service which represents the best practice in our Member States. We need ceaselessly to reform our administrations, and to reduce bureaucracy to a strict minimum. It must be leaner and fitter. Above all, the highest standards of honesty and integrity should be associated with the European Union.

The Union is confronted with calls for deregulation.

And there is certainly scope -even necessity - for some deregulation and flexibility. After all, the permanent exemption for chewing snuff agreed to Sweden has not shaken the Union to its fundament.

But let us not forget; the advance of the single market has amounted to the greatest deregulation in Europe's history. Fifteen national sets of rules have been replaced by one European regulation.

We will resist any lowering of jointly agreed Union standards and any renationalisation. **which** will produce fifteen splintered, smaller, weaker markets.

We, in the Parliament, have an important job to do in the Treaty. A job that we alone can do - and we do.

The Parliament actually carries out its duties better than before. With Maastricht, and despite the new complicated procedures, we have kept pace with the legislative business, unlike Council; and we have streamlined our own organisation.

But:
as long as European elections are contested as if they were referendums on the performance of national governments;
as long as our political parties seem reluctant to talk about Europe when Europe votes;

as long as there is no element of choice about Europe's future decided at these European elections;

as long as most national politicians seem not prepared to invest their energies or credibility on Europe, even if they know its importance;

as long as there is no display of courage and leadership from national politicians; the case for Europe will go by default.

Europe is too important to be left to Brussels or Strasbourg politicians alone.

Very few are prepared to follow the example of Helmut KOHL or Felipe GONZALEZ who have staked their political careers on the European issue.

I believe it is now appropriate to go further than the loose umbrella organisations, the Party of European Socialists, the European People's Party, etc. It is no longer possible to limit these party organisations to periodic meetings of national party leaders, or to party officials. We need to involve the millions of party members in the Member States in this European construction. I invite our European and national parties to develop new structures for European political parties, as we foresaw in the Maastricht Treaty, in which party members from the grassroots share in decision-making, and are associated with the work of those parties in Parliament.

V.

A successful European Union has to be built on the basis, not just of popular consent, but also on the notion of some shared citizenship.

It was thought to be a great breakthrough in Maastricht that there should be a chapter in the Treaty on citizenship. In fact it does not go far enough. I do not think my constituents in Germany are overimpressed with the right to petition the European Parliament, or to send in complaints to our new Ombudsman, nor even the voting rights - tardily implemented - for European citizens in local elections.

As there is no real European citizenship, as yet, can there be a real European identity?

Too often, in the past, governments have thought that European symbols would create a European identity, as if by magic. So a European passport was produced, but border controls still remain. So, a European anthem was designated, as if that meant that Europe would speak with one voice.

The truth of the matter is that there is not one European people but many European peoples. There is not one European language but a plethora of tongues. There is not one European culture, but a richness of European cultures.

Europeans do not feel that they "belong to Europe", in the way that the French belong to France, or the Scots to Scotland.

When the tuna war broke out between Spain and Canada, the Scottish and Cornish fishing fleets sported the maple leaf, not the Spanish flag - let alone the European flag. When Germany plays Brazil in the World Cup, think we can guess who the Portuguese will be supporting.

We should not search for a European identity modelled on national identities. European citizenship is not about Europeans belonging to Europe but of Europe belonging to Europeans, transcending organic, national identities. European identity, and ultimately the European Demos, are about shared values.

Do we have to be French to believe in human rights? Do we have to be Portuguese to share the value of sustainable development and ecological responsibility? Do we have to be German or Swedish to share the value of social justice as the basis for economic competitiveness? Germans, and French, and Basque, and Scottish, and Italian men and women come together in a polity on the basis of shared values. It is a demos of values and citizenship, committed to vindicating those values, and insisting that their Union be part of the instruments for their attainment.

Surely it is on this basis that there is gradually developing a European public opinion, desirous of peace, concerned about the environment, about the developing world, about jobs.

Above all, there is a European way of life. In Europe, uniquely, we have found a balance **between** the market and social protection. In all our Member States, we have developed social systems, based on access to health and welfare for all our citizens. We have a European consensus on the role and duties of public authorities, of government.

The European Community was founded on the notion, above all else, of community. Those shared values, and the gradual development of a European public opinion, can in turn lead to a European identity, based not on homogeneity, not on uniformity: but on diversity and tolerance.

As these trends continue, Europeans will feel more that they belong to Europe - not instead of belonging to Italy, or to Greece, or to Bavaria, or to Wales - but as well.

Our cultural heritage, so vivid in our great European cities like magnificent Bruges is a triumphant expression of both national and European achievement. Built by local and European architects, glories shared by all.

A European identity is not a substitute for national identity. It is complementary, and it makes positive nationalism - pride in one's country - both more complete and of more value. Nations alone cannot deliver. They cannot match people's aspirations. And alienation saps national pride. Powerlessness undermines community and faith in the nation and institutions.

It is through common institutions and common policies that the Europeans can best exert control over their lives, in a global economy, and in the face of the great challenge to our

environment, It is through ever closer cooperation of European nations in our **European Union**.

European Union is **about** empowerment. European Union **is about** enabling the Europeans to regain control of their destiny, in rebuilding faith in **public** authority, in the community, in the nation, and in Europe'. In a world of constant **change. reinventing** Europe is the key to its lasting **success**.

