



VISIONS FOR A STRONG EUROPE

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Much time is still to pass before the United States of Europe will be realized. Therefore it is essential in the present transition period that the determination of the people of Europe to unite is persistently proclaimed, repeatedly confirmed, incessantly pursued, and thus takes shape little by little and step by step.

JEAN MONNET,
award of the International Charlemagne Prize of the
City of Aachen to Paul Henri Spaak on 30 May 1957

INTRODUCTION

WHERE IS EUROPE GOING?

We have a long history of 60 years of successes behind us. We have come to take peace, freedom, democracy, prosperity and human rights for granted.

New avenues were to be opened, after a history of errors born of intolerance, hatred and national egotism. A new Europe was born on the ruins of National Socialism and of the Iron Curtain of Communism, a Europe founded on the voluntary efforts of, today, 27 states and nearly 500 million people, accompanied by hopes for increased security and quality of life, both for our and for the future generations of the 21st century. Historically, this is a unique achievement, born, on the one hand, from bitter experience, on the other hand from unavoidable insights.

At the same time, we have to look towards the future. Where is Europe going? Where should it stand in 10, 20 or 50 years' time? What shall it look like in the future? These are questions we need to find answers for. Also important is the question of Europe's identity. Is a community possible without the inner consent of each of its members? What is Europe's soul? Why has the enthusiasm of the founding generations vanished? Are national interests not prioritised too often to the detriment of community interests, thus impeding strategies necessary for the future of the globalisation processes, and bereaving people of their belief in the efficiency and capability of European institutions?

Europe without visions? Or Europe searching for new visions?

What do people expect of Europe? At the very least, that it be able, in the age of globalisation, to secure material existence and prosperity, to endow life with meaning and promote a heightened awareness and enjoyment of life, and to help in the shaping of a more fair, humane and peaceful world on the basis of human rights and of a clear value-system.

How can these aims be achieved? And, most importantly, how does Europe - and the EU - have to be organised, to bring this vision within reach?

I envision two conceptual approaches for Europe.

The first approach starts from far-reaching economic integration. It tries to perfect the four fundamental freedoms of mobility of goods, mobility of people, mobility of services and mobility of capital. This approach does not regard the future integration of even more countries into the European Union as problematic, as long as the EU is conceptualized along these lines. The final aim is the creation of a zone of economic freedom and prosperity. The national sovereignty of its members will be preserved as much as possible within this economic community.

The second approach tends towards a core of primarily political consolidation measures. The proponents of this concept want to create a strong political framework beside the economic network, which would enable the development of an active globalisation strategy, thus turning Europe into a global player. Alongside the common currency, they regard the pursuit of a coordinated and consolidated economic, social, environmental, cultural and infrastructural policy as a necessity. Similar alignment is intended for tax law, with regard to the definition of bands in tax law, as well as through the introduction of novel concepts into the legal system, into internal and external affairs, and into security policy.

Despite its federal structure, Europe should develop a more community-oriented approach when it comes to important questions, in order to obtain increased competences for effective action. This will, in turn, further the citizens' faith in its capacity to act decisively when faced with vital future issues, and thereby lead to an increase of trust regarding Europe as a community project as a whole. Competence and trust are keywords for this approach.

It is my view that neither of the two approaches described above will be unanimously supported by the 27 Member States in the foreseeable future, since the philosophies on which the two are based are too divergent. Agreement will be reached only with regard to minimal compromises. These will be able to cover the antagonism between the two approaches only temporarily, without, however, offering lasting solutions. The development of Europe would thus have reached a dead end.

Individuality is one of Europe's fundamental values, meaning the power to decide freely whilst assuming responsibility. This might be a way out of the aforementioned dead end. Since the 27 members cannot find a common view, none of them should be forced to go in a particular direction, but neither should any of them be stopped from doing so.

Do not force anyone, but do not stop anyone either, might be the new slogan. The EU Member States which want to progress in their efforts towards political integration should be allowed to do so. Those states, on the other hand, which reject more profound consolidation efforts, must not prevent the others. At the same time, it is important that those states which are more reform-friendly do not end up forming an exclusive group which seals itself off from the other Member States; rather, they should function as a sort of vanguard. The European Union, or its forward-looking core respectively, must remain open for all the other Member States, should these wish to follow this more progressive direction.

One possibility would be to pursue the realisation of an economic community as close to perfection as possible, whilst at the same time allowing more in-depth consolidation for those members who wish to do so. For those states which initially decide against consolidation, the option would remain open to follow this direction at a later date.

Europe has already proven that differences can be integrated; the Schengen Agreement is an example in this respect, as is the common currency in the euro zone. The euro zone itself could be the start point for the consolidation - a common currency policy is practically an impulse towards common economic, social and environmental policy. In any case, the creators of the euro had this progression in mind. The fact that some countries lead the way in this direction cannot be a problem, since it is virtually impossible for the 27 Member States to reach a consensus about important additional developments in the European Union. The procedures used by the European Council for the development of conventions could offer constructive suggestions in this respect.

The objection, that such a consolidation of the European Union through the activity of a few countries could give rise to institutional problems, is, of course, justified. But why should those Member States which decide in favour of further consolidation not relinquish further competencies to the European Council, the European Parliament and the European Commission, thereby delegating further specific competences to these institutions, beside the more general responsibilities? Extraordinary meetings of these boards could be envisaged for the purpose.

Of course, one cannot be pusillanimous. Progress has always demanded vision, persuasiveness and determination. If Europe is to think about its future, it has to engage in the sober analysis and prognosis of global developments, then to define its objectives, and finally determine strategies and measures.

A strong Europe, practising free trade, could encompass countries like Switzerland and Norway, but also parts of Turkey and of the Ukraine, as well as, of course, the Balkan states, but also a more profound political union of those countries which desire and which are ready for it.

This more profound union should then be developed further, reforms should be affected, and deficits should be eliminated. I wish for a European Union that still adheres to the ideals and visions of their founders, and which is not content to sit back, doing nothing. Future generations will ask us one day what we have done to create a secure and reliable basis for their future. Necessary, innovative long-term initiatives should be our answer to their question.

Development and progress within the European Union should concentrate on eight areas:

1. More democracy: Europe-wide plebiscite should be used to allow EU citizens to vote directly for important projects. However, a better and stronger informational policy has to be one of the premises therefore. Those who have the right to decide must also be informed of processes happening at an EU level.
2. Less bureaucracy: the EU needs more compact regulations which are easier to understand. To this aim, 21 concrete proposals have been elaborated by the European trade representatives.
3. More European social partnerships: strong and active European partnerships to enable economic and social security.
4. More support for small and medium enterprises: securing Europe's future goes hand in hand with a strong and innovative SME sector. We may involve ourselves in a talent-contest, but not in a low-cost contest.
5. More education and research as the key for a secure future in a world based on the division of labour.
6. More environmental protection: Europe is co-responsible for climate change and should pioneer sustainability. Only together can we achieve something!
7. More co-ordination of external and security policies.
8. More Europe globally: only a strong and solidary European Union can assert itself internationally. The Union should therefore develop new activities, take the offensive and introduce its own values. The aim is globalisation with a human face!

Probably, not all 27 Member States will reach unanimity with regard to all points. But a small group of reform-friendly and courageous Member States could be in the position to lead the way. The other members could follow later on.

The final aim is a Europe with new competences and motivational powers for its citizens. The era of minimal compromises and small-time solutions is over. It is time for a new start. „It is a matter of survival!“ says president Barroso, and he is right. We do not need less, we need more Europe.



Dr. Christoph Leitl
President of the Austrian Federal Economic Chamber
Honorary President of EUROCHAMBRES
Honorary President of the SME UNION of the EPP



A STRONG EUROPE - CONTINUATION OF INTEGRATION

„During the process of building Europe a break is always possible, but never a voluntary slowdown. The Treaties have to be ratified in order to fulfill our new hopes that have already been nourished. “

*PAUL HENRI SPAAK at the occasion of
the bestowal of the “Internationaler Karlspreis” in the city of Aachen,
on May, 30th 1957*

Substantial reforms are necessary in order to establish a transparent European Union that is capable of action. This conclusion is not new, but the necessity is increasingly urgent.

For 60 years Europe has taken the route of peaceful coalescence. From its initial inception by six founding members the European Community has developed into a community of 27 Member States with even more countries close to accession. A network of regulation of primary law has developed collaterally over the course of development and deepening of European Integration, which has often led to insufficient clearness and transparency and has not brought Europe closer to its citizens.

Not only has the structure of the European Union changed over the course of the last decades but also the general conditions and requirements. The basic idea of „No more war in Europe“ remains a fundamental principle, that has been realised in Europe to a very high degree and one that has to be preserved in the future. Today Europe faces new challenges requiring solutions. Globalisation, demographic change, social security, international responsibility and the guarantee of internal and external security are core topics that have to be dealt with on a European level.

A CONSTITUTION FOR EUROPE

As soon as the Treaty of Nice was signed in 2001, it was clear to all participants that the proposed reforms were insufficient to enable the enlargement of the European Union. Greater adjustments are necessary to prepare Europe for the future.

The task of the “Convention on the Future of Europe“ was to redraft the treaties, to clarify competences within the Union, to simplify the procedures and instruments of policymaking , and to create a Europe that is overall more democratic, transparent and efficient. It took two years for the European Convention to elaborate a draft constitution, under the leadership of Valerie Giscard d’Estaing. On the 18th of June 2004 the Heads of State and Government of the - then - 25 Member States of the European Union agreed on the Treaty establishing a Constitution for Europe.

THE STUMBLING BLOCK: RATIFICATION

The Constitutional Treaty was supposed to enter into force on the 1st of November 2006. In order for this to happen, all Member States had to ratify the treaty. France and the Netherlands rejected the Constitutional Treaty during two referenda held in spring 2005. At this point, nine Member States, including Austria, had already approved it. Despite the negative results, seven other Member States gave the Constitutional Treaty the green light. The same happened in Romania and Bulgaria, which ratified it at the time of entering the Union. The other Member States postponed the ratification of the Constitutional Treaty.

REFLECTION AND REFORM DISCUSSION

After the negative results of the two referenda in France and the Netherlands, Europe underwent a period of reflection initiated by the European Council. The Heads of State and Government of the Member States decided to meet the concerns

and fears of their citizens during this reflection period, and to use it for in-depth discussions. Meanwhile, the ratification process was to be continued.

Amongst the positive outcomes of this situation were the willingness to enter into dialogue with the citizens, to create a better atmosphere for the Union by achieving good results on European level, and to gather and discuss a variety of opinions. Unfortunately, these efforts did not seem to be very fruitful. The Eurobarometer report elaborated at the time presented the following picture: the sympathy of the European population for the European Union had remained low, or had even decreased. Support of EU membership had diminished, and, whilst the perceived advantages of membership had remained the same, the image of the EU had worsened.

During the period of reflection, there was, in principle, a strategic and a content-based dimension to the discussion about the future of the EU. Strategically, methods were discussed to establish whether a reform of primary law was still a possibility, and how this should be done. In terms of content, discussions revolved around whether the Constitutional Treaty should be saved, or if its substance should be preserved, or if it should function as an organ donor, providing parts for further use.

CORE EUROPE WITHIN AND OUTSIDE OF THE TREATY OF NICE

Already when the European Convention worked on a draft Treaty establishing a Constitution for Europe, Germany and France announced the possibility of forming a core Europe if reforms should fail. There were no realistic perspectives for a deepened Union beyond the Constitutional Treaty for all Member States, as the existing Constitutional Treaty described a maximum compromise. Even more, new negotiations could lead to a far less ambitious level of integration.

It is against this background that ideas have flared up again dealing with the construction of a core Europe, a two-speed Europe or a Europe of concentric circles. For a more differentiated integration within the European Union there is the

possibility of enhanced cooperation based on primary law with the “flexibility clause”. The strict criteria for this cooperation however do not give room to the realisation of ambitious reforms.

Another possibility would be the formation of a core Europe outside the legal system of the European Union. Basically the call for a core Europe encompasses the wish of some European countries for deeper integration. The design of such a core Europe varies according to the sort of proposed integrative deepening (e.g. federal state, defence union, economic policy) and who shall take part. The idea behind the political discussion is that some Member States make a first step towards further integration and the other Member States can follow, if and when they are ready to do so. A good example is the Schengen area. Originally, it was founded in the frame of an intergovernmental agreement by only five Member States. Later on the Schengen cooperation has been incorporated into the European Union legal framework by the Treaty of Amsterdam.

In the discussion on a core Europe it is mainly the members of the Monetary Union who are considered to form a core largely concerned with economic aspects.

Different levels of integration indeed carry the risk of explosive force for the unification of Europe. A deeper integration of some countries on the other hand could be a motor leading to a more integrated Union, as was the case with the Schengen agreement. Ardent advocates of European Integration like Guy Verhofstadt or Jean-Claude Juncker do not rule out this possibility as a last resort, if progress with all members of the Union cannot be made.

BERLIN DECLARATION

The European Union slowly began to awaken from its “reflection break”, one year after the beginning of the so-called period of reflection. In June 2006, under Austrian presidency, the European Council took the first steps when it devised a schedule for finding a solution to the issue of the Constitutional Treaty.

The next real move in this direction came only under German Presidency in the first half of 2007. The Presidency under Chancellor Angela Merkel demonstrated its leadership capability and its solution finding abilities. On the 25th of March 2007 the 50th anniversary of the Treaties of Rome was celebrated. The treaties are the pillars of the European Community, and of the contemporary European Union respectively. In accord with the time-table agreed by the European Council, it was the mission of the German Presidency to use the jubilee to generate new dynamics for the continuation of integration.

In the so-called „Berlin Declaration“, a common political declaration, Europe’s political leaders committed to the Union’s values, its demands and its obligations. Representatives of the Council, the Commission and the Parliament declared that they want to bring into force a treaty reform by the time of the European elections of 2009. To this aim, the German Presidency produced a report on the state of deliberations with proposals for future developments. The Brussels European Council on the 21st - 22nd of June 2007 was decisive for the future of the European primary law. Negotiations on the resumption of the process of elaborating a new treaty, based on the German report, lasted until the early morning hours. The 27 Heads of State and Government finally agreed to convene an Intergovernmental Conference to discuss changes in the European primary law. The 27 Member States decided in favour of a pragmatic approach: the fundamental components of the Treaty establishing a Constitution for Europe should be transferred to a new treaty.

THE INTERGOVERNMENTAL CONFERENCE AND THE TREATY OF LISBON (2007)

The Intergovernmental Conference began its work on the 23rd of July 2007 under Portuguese Presidency. Overall responsibility rested with the Heads of State and Government, who also had the support of the EU foreign ministers. Besides the ministers and other high officials, three Members of the European Parliament also took part, as well as one representative of the European Commission.

No other Intergovernmental conference had had such a detailed mandate until that point, since the mandate anticipated the results which were to be negotiated during the conference. The conference was, therefore, a matter of finalising details, fine-tuning and technical questions. Nonetheless, it was probable that individual states would express the wish for improvements at a later date. Poland, for instance, had already declared that it desired further negotiations regarding the “double majority“ for Council decisions, in order to obtain transitional periods.

On the 19th of October 2007, the Heads of State and Government of EU Member States agreed upon a new Reform Treaty on the basis of the ground work done by a group of legal experts. As a concession to Poland and in order to reach a compromise, the so-called “Ioannina Compromise” (postponement of Council decisions requiring a qualified majority in case of important national interests), was included in a protocol, thereby becoming, indirectly, part of the treaties. Poland also obtained an additional Advocate General at the European Court of Justice, as well as an additional seat in the European Parliament. Bulgaria won the right to call the EU single currency the “ewro“, due to the Cyrillic spelling, rather than euro. Except for these concessions, the guidelines of the mandate were followed.

The treaty was signed by all 27 EU Heads of State and Government on the 13th of December 2007 in Lisbon, thus receiving the name “Treaty of Lisbon“.

CHALLENGE: RATIFICATION

The new treaty was supposed to be ratified as quickly as possible by all 27 Member States, so that it could enter into force at the beginning of 2009, in time for the European Parliament elections in June 2009. The ratification procedure followed the national regulations validated by constitutional law: as with all changes in the EU primary law, there existed the possibility to ratify through the national Parliament or via a referendum. Plebiscites particularly are a stumbling block - the Treaty establishing a Constitution for Europe had already failed because of the negative plebiscites in France and the Netherlands. Most Heads of State and Government

were therefore hoping for a new treaty that would not attract great attention and which could be ratified through the respective national Parliament, if possible without a referendum. This strategy seemed to work initially. Almost all EU Member States finished the ratification process by the end of 2008. Only in Ireland, Germany, the Czech Republic and in Poland there were delays.

THE NEGATIVE IRISH REFERENDUM

Ireland was the only Member State who had to organise a referendum because of constitutional provisions. Unfortunately, Ireland was also the country in which endorsement of the Treaty of Lisbon was particularly low, despite the fact that the treaty was backed by all larger parties. The Irish government was weakened by a series of scandals, prime-minister Ahern had to resign, putting wind in the sails of the opponents of the treaty. The naysayers used questionable arguments, such as the notion that the treaty might endanger Irish neutrality, or that it might permit abortion, or that it would allow external control on Irish tax rates.

Finally, on the 12th of June 2008 53,4% of the Irish voters voted against, and only 46,6% for the Treaty of Lisbon. Voter turnout was 51,13%, higher than had been anticipated. Polls that were conducted afterwards showed that many Irish voters had rejected the treaty because they considered it incomprehensible. The proponents of the treaty had not succeeded to convince the Irish that the treaty was ultimately a considerable improvement of the status quo.

A SECOND ATTEMPT

The negative referendum was followed by renewed perplexity. The aim to bring into force a new treaty before the 2009 European elections had been missed. The “old” treaties were still in force: the Treaty on the European Union and the Treaty establishing the European Community, in its amended form of the Treaty of Nice.

However, according to the opinion of many EU experts and politicians, work on the basis of the Treaty of Nice was not a long-term solution. The treaty was not able to do justice to the problems of an enlarged Union. The European Union was not rendered sufficiently active and effective. Beside these considerations, the final failure of the endeavours for a treaty reform would also mean that a whole decade of difficult and drawn out European discussions would have been in vain.

In this context, the European Parliament clearly stated that no further countries could be accepted into the Union on the basis of the Treaty of Nice. Affected are the candidate countries Croatia, Turkey and Macedonia (FYROM). If a way out of the treaty dilemma cannot be found, there is the danger that the European project will come to a standstill due to the Union's insufficient enlargement capacity and limited ability for action.

The EU governments were therefore seeking various ways out of this dilemma. The Irish government ordered a research analysis on voters' reasons, and on their concerns about the Treaty of Lisbon. It emerged that, besides issues regarding content, such as the retention of abortion prohibition or neutrality, institutional issues, such as the concern about the loss of an own Commissioner, played a decisive role for the negative Irish vote. 80% of the interviewed members of the Irish public voiced their concern regarding the possible loss of an Irish Commissioner.

In order to create a positive atmosphere amongst the Irish population, the introduction of exceptions was discussed, as well as changes to the main provisions of the treaty, such as the number of Commissioners. Ireland was to organise a second vote on the treaty after a strong "Yes" campaign.

First steps towards a solution were taken under French presidency. In December 2008, the EU Heads of State and Government presented a timeline at the European Council which would enable the treaty's entering into force by the end of 2009. Subsequent reforms of the institutional structures were planned in order to secure the Irish "Yes". Should the Treaty of Lisbon come into force, a decision would be adopted according to which each Member State will have one Commissioner.

Ireland received the legal guarantees it desired during the European Council on the 18th - 19th of June 2009. During the summit, all Heads of State and Government agreed on a compromise regarding the Irish demands. The Irish government demanded confirmation regarding the ban on abortions, fiscal sovereignty, and military neutrality, in order to secure a positive response at the second Irish referendum. Legal guarantees confirm the fact that the Treaty of Lisbon is compatible with the provisions of the Irish Constitution regarding protection of the right to life, family and education. The treaty brings no changes to the EU's competence in relation to taxation, and has no impact on Ireland's traditional policy of military neutrality. It also refers to the European Council's December 2008 agreement according to which each Member State still provides a European Commissioner.

The guarantees approved during the June summit are legally binding and will take effect when the Treaty of Lisbon enters into force. The guarantees will be ratified as a Protocol in all Member States at the same time as the next Accession Treaty, thereby making these provisions part of the community treaties.

RESULTS OF THE SECOND REFERENDUM IN IRELAND

Due to these legal guarantees a second referendum in Ireland was possible. On the 2nd of October 2009 the Irish population voted a second time on the Treaty of Lisbon. The Lisbon Treaty referendum was backed by a vast 67,1% majority, whereas only 32,9% voted against it. On this second try there was a voter turnout of 59%. Several factors determined the clear "YES" vote. On the one hand, the supporters of the treaty succeeded in organising a more comprehensive and better information campaign. On the other hand, the Irish, strongly affected by the economic and financial crisis, strived for more security and had strong confidence in the protective function of the European Union. In these economically difficult times the European Central Bank (ECB) had given strong financial support to the Irish banking system. Thus, Ireland decided in the referendum against isolation and in favour of integration.

FURTHER DELAYS IN THE RATIFICATION PROCESS

The German Bundestag (Federal Parliament) and the German Bundesrat (Federal Council) endorsed the Treaty of Lisbon in the spring of 2008. However, due to constitutional complaints brought in front of the Federal Constitutional Court in Karlsruhe, the ratification process could only be formally finalised in September 2009, when the federal president Horst Köhler signed the ratification document. At the end of June 2009, the Federal Constitutional Court decided that the agreement law for the Treaty of Lisbon conforms to the German Constitution. An accompanying law on the rights of the Bundestag and of the Bundesrat in EU affairs, on the other hand, violated the German Constitution, since both the Bundestag and the Bundesrat were not afforded sufficient participation rights within the framework of European procedures regarding legislative processes and amendments to treaties. By adopting new accompanying laws in September 2009, the Bundestag and the Bundesrat followed the Karlsruhe decision.

The Polish president Lech Kaczynski signed the ratification document shortly after the second and positive referendum in Ireland. Both Polish parliamentary chambers endorsed the treaty already in spring 2008.

In the end, the Czech Republic represented the last political hurdle on the way to the entry into force of the Lisbon Treaty. Both Czech parliamentary chambers endorsed the Treaty of Lisbon already in spring 2009. However, the Czech president Václav Klaus was not willing to sign the document. Additionally, in September 2009 some senators filed two further complaints with the Constitutional Court and president Klaus needed to wait for the Court judgement. Beyond that, the Czech President requested exemptions for his country regarding the Lisbon Treaty's Fundamental Rights Charta in order to be able to sign the treaty. On the October 2009 summit the European Heads of States and Government compromised with the Czech Republic and granted the same exemption to the country as to Poland and the United Kingdom. A corresponding protocol will be ratified at the same time of the conclusion of the next Accession Treaty. Fortunately, also the Czech Constitutional Court declared the Treaty of Lisbon compatible with the Czech Constitution. After

this final hurdle has been cleared, the Czech President Klaus signed the Lisbon Treaty on the very same day, the 3rd of November 2009. The instruments of ratification have been deposited in Rome only ten days later.

IMPLEMENTATION OF THE TREATY OF LISBON

After a long journey, the Treaty of Lisbon has finally reached the goal. It has entered into force on the 1st of December 2009. With the new treaty, the European Institutions are able to act more efficiently and to secure stability for the Union.

The Treaty of Lisbon introduces the new 'top jobs' of a high-profile president to chair EU summit meetings for a two-and-a-half year term and a High Representative for Foreign Affairs and Security Policy, who will act as the EU's de facto foreign minister and who will also be a vice-president of the European Commission. At an extraordinary summit on the 19th of November EU Heads of State and Government unanimously appointed the Belgian Prime Minister Herman Van Rompuy as the first permanent President of the European Council and former Trade Commissioner Catherine Ashton as High Representative for Foreign Affairs and Security Policy. As the treaty does not define the job profiles of these two newly created posts in detail, the question of precisely what powers will be exercised to what extent will be of special interest. Equally important will be the question how they will perform in a team with their institutional counterparts.

The European Commission's President, José Manuel Barroso, was already approved for a second term in September 2009. His team with further 26 Commissioners took office by the end of January 2010 after the approval of the European Parliament. The Austrian former minister for science and research Johannes Hahn has become Commissioner for regional policy.

After the ratification of a protocol, scheduled for 2010, eighteen further Members of the European Parliament from twelve Member States can claim their seats. Among them are two Austrian Parliamentarians.

QUOTES

Quotes by European opinion-leaders about the Treaty of Lisbon.

Angela Merkel, German Chancellor, about the Treaty of Lisbon: "The current contractual basis of the European Union is not one which allows us to work in an optimal manner and that is why we have a new contract, which in my opinion is and should remain the Lisbon Treaty." (N24-summer interview on the 2nd of July 2009)

The French President **Nicolas Sarkozy**, during the presentation, before the European Council, of the points which will be focused on during the French Presidency of the Council: "We have an institutional problem. Lisbon is the solution". (Press Releases RAPID on the 10th of July 2008).

Hans-Gert Pöttering, President of the European Parliament from January 2007 to July 2009, on the negative results of the Irish referendum: "It is of course a great disappointment for all those who wanted to achieve greater democracy, greater political effectiveness and greater clarity and transparency in decision-making in the European Union that the majority of the Irish could not be convinced of the need for these reforms of the European Union. We must not forget, however, that the European Union has experienced crises and times of difficulty several times before. Today, as in the past, we must keep a cool head". (Press Releases RAPID on the 13th of June 2008)

José Manuel Barroso, President of the European Commission, on the signing of the Treaty of Lisbon: "This treaty marks a watershed in the history of European integration. The Treaty of Lisbon puts citizens at the centre of the European project". (Press Releases RAPID on the 13th of December 2007)

Gordon Brown, the British Prime Minister: "If we needed a referendum we would have one. But I think most people recognise that there is not a fundamental change taking place as a result of this amended treaty." (BBC Interview on the 24th of September 2007)

A VISIONARY RISES TO SPEAK



DEBATE ON THE FUTURE OF EUROPE WITH THE PARTICIPATION OF THE MEMBER OF THE EUROPEAN PARLIAMENT AND FORMER BELGIAN PRIME MINISTER GUY VERHOFSTADT AT THE EUROPEAN PARLIAMENT AT MAY 1TH 2006

Mr President, ladies and gentlemen, I should first of all like to thank your President, Mr Borrell, and all those who have taken the initiative to invite me here today to embark on a series of debates you will be having. I should first of all like to thank you for organising this initiative, and I have already noticed from the introduction that your House is still as lively as I remember it being back in 2001 when I as President-in-Office of the European Council came to defend the decisions of our presidency.

Although I am very flattered, Mr President, by this invitation, this initiative is also evidence of the efforts made by your House and of the perseverance it has shown. Allow me to remind you first of all that your Parliament has played an important, if not decisive, role in the Convention. I am delighted that, with this initiative, the European Parliament is once again assuming its responsibilities in shaping the future of Europe.

I would not wish to start my address on the future of the European Union without first mentioning a date from the recent past: 1 May 2004, which is just over two years ago. A milestone in the history of Europe; a key date for the European Union: sixty years after the Yalta Conference, 48 years after the Hungarian Uprising, 43 years after the construction of the shameful Berlin Wall, and 35 years after the Prague Spring, this day was, as Bronislaw Geremek put it, ‘the real end of the Second World War, and the real beginning of a unified European Union’.

The reason why I briefly mention that day is that many people today seem to have what I would call a particularly short memory when they talk about the enlargement of Europe and of the European Union. The Union is said to have been too hasty in welcoming the former Soviet satellite states into its fold. The Union is said to be expanding too fast. The Union is said to have reached its natural borders, and to have exceeded the limits of its so-called absorption capacity. What, though, does 'too fast' mean to people who were oppressed for nearly half a century? What is 'too hasty' for people who we scarcely bothered about before they freed themselves from the Communist yoke? Come to think of it, what are 'natural borders'? Where do such borders lie, when we see that European cities such as Belgrade and Dubrovnik are still outside the European Union? And what 'absorption capacity' are we talking about? The one in our head or the one in our wallet?

What I wish to make clear at the outset of my speech is that the future of the Union must not be thought of in terms of 'either ...or': either 'enlargement' or 'deepening'; either Turkey or the Constitution. History and the direction of history are unequivocal. The Union must continue to grow. This is the only guarantee for lasting peace and stability in Europe. The only guarantee that Bosnia or Kosovo, or the entire Balkans for that matter, will not go up in flames again tomorrow. The only hope, too, that countries such as Ukraine will become stable democracies in future.

At the same time, the Union must be deepened further, and European integration must continue unabated. In any event - and that is something that lies at the very heart of this debate - it is time we put an end to the period of stagnation in Europe. After all, lack of progress in European integration did not start with the referendums in France and the Netherlands, as many people would have you believe. The citizens have been experiencing a crisis in Europe for longer than that: division over Iraq, non-compliance with the stability pact, and the debate on financial perspectives, which we resolved in the end. I would also dare to add the Lisbon Strategy to this list. Let me make it perfectly clear that there is nothing wrong with the goals of the Lisbon Strategy, but the so-called 'open method of coordination' used to implement

it has been far too weak to give European unification and integration a fresh, decisive impetus after the successful introduction of the euro.

No choice should be made between deepening or enlarging first, as some people lead us to believe. Both are necessary. Nor should a choice have to be made between Europe as a free trade area or Europe as a political entity. Here once again, the direction of history is unequivocal. We are in fact evolving very rapidly, from a uni-polar world dominated by the United States of America, to a multi-polar world in which countries like China and India are rightly demanding an emphatic role. If Europe wants to continue to play a leading economic, political or military role in this new world order, then political union is the only alternative. No single Member State, not even the large ones, can harbour any illusions about going it alone on the world stage. As my illustrious predecessor, Paul Henri Spaak, rather cynically put it so many decades ago:

‘Europe still consists solely of small countries. The only relevant distinction that remains is that some countries understand this, while others still refuse to acknowledge it’.

It was Paul-Henri Spaak who said that, not me.

In short, the question is not whether the Union will evolve into a more federal, political entity, but rather when this will eventually happen, or better yet, whether this will happen in time. That is the fundamental question. I, for one, have some doubts as to whether we will make the leap in time and evolve into a fully-fledged political union, and I am happy to share those doubts with the European Parliament. It is true that on 29 May and on 1 June 2005, the referendums in France and the Netherlands dealt a blow to the emergence of a European political union. The rejection of a constitution, which - although far from ideal - could have ushered in much more democracy, more transparency and more efficient decision-making, was a sledgehammer blow for those working on Europe’s political union. We cannot deny that the blow that both referendums caused was so great, that it is unclear even now whether the Constitution can still survive. The ratification process continues,

and 15 countries have so far approved it, but let us be honest with ourselves. Some Member States may have been relieved when France and the Netherlands voted 'no'. At any rate, they have postponed their own referendums indefinitely. In any case, the outcome of these two referendums has left Europe in confusion. And today, exactly one year on, there is no end in sight to that confusion. For we must face the facts. The subsequent 'reflection period' has yielded little or nothing at all. Over the last twelve months, there has been no noisy brainstorming session about the future of Europe, but rather a deafening silence.

A few new ideas have surfaced in the past few weeks, it is true, but I would join you in doubting whether they will amount to much. One such example is, at the risk of sounding condescending, the 'Europe of projects', but what we really need is 'a project for Europe'. Or the idea of having everyone renew their vows to Europe. Or the intention perhaps to save part of the Constitutional Treaty by 2009, without any certainty that it will not be voted down again.

Be that as it may, it is to be expected that we in the European Council are going to extend the reflection period in just a few weeks. Elections will be held in France and the Netherlands, and an important presidency, the German Presidency, is coming up. There is a right time for everything, conventional wisdom has it. However, deciding when to act based on an election in another Member State or on who presides over the Council of Ministers is not the best approach, in my view. There will always be an upcoming national election somewhere, and waiting for the right presidency means running the risk that no one will grasp the urgency of the matter. Habits set in. Wear and tear take their toll. Why should we make a fuss about the future of Europe? It is doing just fine, without a project, without a constitution.

Yet I firmly believe that we must act as a matter of urgency. And I would like to reiterate the reasons for this: Europe's economic growth is lagging behind, our political influence in the world is waning and our military strength is below par.

To find out what we need to do, we must first take a close look in the mirror, and together answer questions such as: Why did so many citizens turn away from Europe in those referendums? What went wrong in France and the Netherlands? What is the real reason why they did so in two states that were founding Members of the European Union?

In my view, two main answers or explanations can be given. The first, which is also a form of self-criticism, is that many national political leaders have long painted a negative picture of Europe in their own countries. When things go well, the feathers are immediately donned in the national cap, but when something goes wrong, the accusing finger is always pointed at Europe. And it must be said: Europe is a willing victim. No reaction or reply is hardly ever forthcoming when you abuse or lay into it. The most grotesque distortions gain currency: Brussels is supposedly home to an immense, Kafkaesque bureaucracy. The truth is, that some 24 000 civil servants work in the European institutions. This figure is smaller than the civil service of nearly every large European city. Europe is also said to be an enormous money-squandering machine. While I cannot deny that funds are sometimes misspent, and that is also the *raison d'être* for the Court of Auditors', the truth is that the budget of the European Union is 20 times smaller than that of the United States, and 40 times smaller than that of all other (national, regional and local) governments combined. Each European citizen pays less than five euros a week for Europe - a fraction of what he or she has to pay for his or her national, regional and local governments. In return for these five euros, the citizen has enjoyed peace and prosperity for years, some of them, including us Belgians, for more than half a century. As we know in life, though, and certainly in politics, gossip is more stubborn than the truth, especially when that gossip is bandied about constantly, whether or not it is relevant.

There is, however, a second, and in my view, more decisive reason why citizens are put off and voted 'no' in both referendums. In their judgment, Europe no longer provides a sufficient answer - if any - to their many questions and concerns. I think that in this age of unbridled globalisation, they see the European engine sputtering and the European economy gasping for breath. Unemployment remains high.

Companies are often relocating to the (Far) East, taking jobs with them. A powerful European response is not forthcoming. Although cross-border crime is on the rise, let us be honest, we had to wait - I remember it very well - until the Twin Towers were levelled before an agreement could be reached on the European arrest warrant. And the same thing is happening now with the European patent. Everyone knows that this tool is absolutely necessary if we are to make up for our lag in research and development, but in spite of all the Council's declarations of intent, this could drag on for years.

This being so, it should come as no surprise that European citizens are opting out of referendums - and let us be honest about the fact that it is not one. We are all too aware that the European Union, as it functions today, lacks the necessary power to provide clear and decisive answers to the concerns of the people, and we are only too aware of why this is so.

Until such time as Europe embarks on the road towards a real federation where the unanimity rule is scrapped, or at least limited to the strict minimum, it will continue to be powerless to react rapidly and decisively to new challenges. To put it in a different way: a confederation, based on the intergovernmental method and the principle of unanimity, has no choice but to paralyse our Union.

I think that 50 years after the launch of the Union, it is high time to make a choice once and for all: confederation or federation; unanimity or qualified majority; intergovernmental or community approach. A 'board' led by a number of Member States, or a strengthened European democracy based on an active European Commission and a fully-fledged European Parliament, which make up the essence of European democracy.

Allow me to illustrate the crucial importance of this crossroads by returning to the major challenge facing us, and I believe that the major challenge facing us now is the modernisation of the European economy. If one looks at the figures, what are they now and what do they tell us? Average GDP growth in Europe over the last ten years has been 2.3%, compared with 3.3% in the United States. In Europe, the total

employment rate increased by 9% during that same period. In the United States, it increased by 14%. Far more striking is the fact - which we must indeed acknowledge - that, while, in the 1980s, per capita income was still at the same level in Europe and the United States, European per capita income is now 30% below that of its US counterpart. I have not even touched on China, India or Japan, about which a great deal is said. Last year, China's economy grew by almost 10%. The European Union's trade deficit - we always talk in terms of surpluses, but let us also look at the deficits - with Asia rose to EUR 100 billion, and is expected to rise even further over the next few years.

The European Union's response to this problem is called the 'Lisbon Strategy'. As I have already said, there are no question marks concerning the objectives of this strategy. Europe must become 'the world's most competitive knowledge-based economy'. However, the method used to that end, which enables the Member States to decide for themselves how they intend to go about meeting that objective, is not effective. The facts show that we are falling further and further behind in a large number of areas. There is a simple reason for that. The Lisbon Strategy makes use of the aforementioned open method of coordination, a form of intergovernmental approach that is mainly based on best practices, benchmarking and peer review. Aside from defining a number of general objectives, the role of the European institutions is limited to drawing up rankings and tables for the purposes of drafting reports. That is precisely what others do too in their reports: I am thinking of the World Competitiveness Centre (IMD) and the World Economic Forum (WEF).

The only difference between the reports drafted under the Lisbon Strategy and the ones by these economic institutes is that the latter show that nearly all of the countries in Europe are declining. Some will hasten to say that this is naturally due to the strength of the euro. Yet, it is primarily due to the lack of common reforms in the European Union. In short, although we are striving to make our knowledge-based economy the most competitive one in the world, it must be pointed out that we are in danger of becoming less competitive by the day.

A conclusion is required, which I have tried to defend not only within the Council, but also, prior to that, at the European Parliament, for example when I was invited by the Committee on Economic and Monetary Affairs. That conclusion is as clear as day: the intergovernmental method, without commitments, that underpins the Lisbon Strategy does not work properly.

What we really need is a much more binding, Community-based approach: social and economic governance in the true sense of the word, a joint European socio-economic policy, in which the Union provides a broad outline of the necessary reforms. These reforms are absolutely imperative if we want both to face up to rising competition from new growth areas and to protect the social model of which we, in Europe, are so rightly proud. These reforms require action not only with regard to industry, innovation, research and taxation, but also with regard to the labour market, pensions, social security and health care, without mentioning other areas.

The method to be used here - and I do not want any ambiguity on this matter - cannot simply consist of indiscriminate harmonisation; I am opposed to indiscriminate harmonisation or, in other words, to a form of standardisation that takes no account of the differences among the Member States. Plainly ignoring the differences in customs is not an option. No, what I am advocating is a policy of convergence, a similar approach to the one that was successfully applied to the Stability and Growth Pact and that led to the introduction of the euro, because that is indeed what was at the heart of the Pact: a policy of convergence. Unlike harmonisation, which is based on absolute values and which denies the differences in Europe, convergence is about setting minimum and maximum levels, a range of values; it is about creating a framework in which the various Member States of the Union must operate and modernise their economies. The maximum levels are needed in order to inspire the Member States to implement reforms. The minimum levels are needed in order to prevent social dumping.

Convergence also enables the various Member States gradually to develop in line with each other and the Union to become competitive again faced with other

growth regions in the world, the main difference being that cut-throat internal competition is prevented and that the Union is not forced to give up its social approach. I also believe that Europeans will thus be able to regard the Union once again as a solid partner, a federation of peoples and nations, which this time round is able to provide an answer to the challenges of globalisation.

In any case, by radically changing the course of the Lisbon Strategy and enhancing this strategy by employing a more compelling and precise Community method, the Union will once again be able to capitalise on past successes. It must be acknowledged that neither the internal market nor the euro would have come about without a powerful Community driving them forward. It must be said today that, for the internal market, this driving force took the form of the principle of mutual recognition and of qualified-majority voting, as developed by Mr Delors. As for the euro, it would never have come about without the Maastricht criteria and the standards set out in the Stability and Growth Pact, which is also a driving force of the Community.

Ladies and gentlemen, while a new Community economic strategy of this kind is highly desirable for the Union, it is certainly crucial for the eurozone. A single currency and a monetary Union are destined to fail in the long run if they are not supported by a common approach to social and economic challenges. The absence of reforms in one country will inevitably have a negative bearing on the health of other countries, in other words, of the entire zone. If anyone had doubts about the need for, at the very least, a form of economic governance in a monetary union, they need only imagine the United States with one currency, the dollar, and one central bank, the Federal Reserve, but with a different socio-economic policy for each of its 50 states. We would regard that situation as 'unmanageable'. The fact is, we are faced with that unmanageable situation now, within the European Union, or at least within the eurozone. Then we wonder why we do not have the same economic growth as other regions in the world!

That is why, for some time now, I have advocated taking an initiative to strengthen the Eurogroup. Not with the aim of excluding anyone, because - I repeat - if the 25

Member States were able to apply themselves to developing a new Community strategy together, then I would undoubtedly prioritise that joint approach. Yet, if that proved impossible - which I increasingly fear to be the case - then there is no question of not taking action at all. Moreover, when I talk about the Eurogroup, I am referring not only to the current members of the eurozone, but also to all the countries that, under a contractual clause, are destined to join the eurozone. In other words, no one is being excluded from joining the EU and from being part of the eurozone.

What might strengthening the eurozone entail in terms of creating the social and economic governance that is so lacking in the Union? I am thinking about 'strengthening' here with regard both to the institutional aspects and to the content. In particular, I am thinking about jointly preparing the EU spring summit, about frequently drafting reports and recommendations for the eurozone within the European institutions, about defining common macroeconomic starting points when drafting national budgets, about drawing up convergence criteria on social, fiscal and economic matters - a very important task - and about holding meetings that bring together within the enlarged Eurogroup not only finance ministers, but also employment ministers, social affairs ministers and ministers for science policy - my finance minister agrees. Finally, I am also thinking about ensuring autonomous representation within the international finance institutions, which is an obvious step to take when one has a monetary union and a single currency.

Ladies and gentlemen, so far, I have focused almost exclusively on the economic challenges facing the Union. I would be trivialising matters if I were to overlook the other areas in which we need more, not less, Europe. One such area is justice and security, in which we should be more effective in the fight against illegal immigration, organised crime and terrorism. As regards research and development - please forgive me for repeating myself - we urgently need the European patent. The same goes for a common foreign policy.

With regard to this last point, we must acknowledge the fact that only a European defence can move us closer to a common foreign policy of that kind. My personal experience in 2003, shortly before the start of the war in Iraq, was painful but instructive. At that time, in 2003, it seemed totally impossible to debate the Iraq crisis within the European Council. Divided as we were, we preferred to keep our cards close to our chest. In short, only when we develop common instruments, such as a European army and European diplomacy, will we be forced to lay our cards on the table - and in due time - in the event of an international crisis.

I know that the idea of developing a European army or European defence is likely to be perceived by some Atlanticists as a sacrilege or as a denial of our transatlantic obligations. Well, that is not the case. In the 21st century, NATO is going to change; it is likely to evolve from a regional defence alliance into an international security network, consisting of allies and partners. At the same time, there is every reason to believe that we will make ever more explicit efforts to tackle international security issues within this kind of renewed international cooperation association, rather than continue to call on the so-called coalitions of the willing. The disadvantage of these coalitions is that they disintegrate easily following each change of government.

Within this new 'transatlantic security network' - the foundations of which will be laid in Riga - Europe's defence must be developed and integrated as an autonomous European pillar. It goes without saying that a great deal of resistance will have to be overcome in order to succeed in this. Resistance on the part of some Americans, for example, who can only see NATO as an alliance of countries, and resistance on the part of some Europeans, too, who continue to regard European defence as an alternative, or even a rival, to NATO. Yet, I believe that, by finding a middle ground between these two arguments, it will be possible in the long run to overcome this resistance. The European operations conducted in Bosnia, Macedonia and Congo have shown this.

Be that as it may, the development of Europe's defence, which is intended to operate both as an autonomous entity and as a pillar of NATO, is urgent and

essential. We cannot play the part of the world's moral conscience without having the military might to back it up. Nor can we constantly call on the United States to come to our rescue when we are faced with a civil war on our own continent, as was the case in Bosnia and Kosovo.

The question remains: what does all this have to do with the Constitution and the draft Constitution?

Theoretically, of course, there are various possibilities. We can opt for the status quo, regard the constitution as a lost cause and continue to work on the basis of the treaties signed in Nice and elsewhere. That is not, in my opinion, the right way forward, for then, we would retain the unanimity rule, which, in turn, means vetoes and, perhaps, paralysis.

We can also take an approach that could well catch on, namely a 'pick and choose' approach, if I can put it that way, trying to save the most attractive parts of the constitution, but my question is, then, which parts? I can imagine that every member of the Council will have a different priority. For one member it will be the subsidiarity test, while for the other, it may well be larger powers for the European Parliament, for example. I will let you guess. Ultimately, the odds are that at the end of the ride, we will end up with more or less the same Constitution. It is highly doubtful that ratification in two or three years' time will have a greater chance of success than today.

We could also take a 'roll-back' approach, where we interpret the outcome of the referendums as a sign that the citizenry actually want less Europe, meaning that we should reduce Europe back to nothing more than a free-trade zone. However, dropping our European ambitions and going against the course of history would be like abdicating, a form of betrayal, for the success, to date, of European unification cannot be denied. It has proven to be the best remedy for poverty, dictatorship and war. Europe has brought long-lasting peace, social protection and unprecedented prosperity. So we must stop being cynical and painting a picture of the Union as some kind of inconvenience.

Practically and politically, there is just one option that remains, and that is to press on with the ratification of the Constitution. Each country and each citizen of the Union has the right to express an opinion on this Constitution, but remember, there may have been two 'no' votes - in the Netherlands and France - but there were 15 'yes' votes in the 15 other EU Member States. I do not think that Europe would be a democracy if it did not take that simple statistical fact into account. Moreover, in my view those who in recent months have put ratification on the back burner are duty-bound to start or resume the ratification procedure - and I will tell you why. We agreed this when we approved the draft Constitution in the European Council. That is why we added a special declaration to the constitution, declaration 30, which states: 'If four-fifths of the Member States have ratified it two years after signing it, and one or more Member States have encountered difficulties in proceeding with ratification, the matter will be referred to the European Council'. Well then, if not all of the countries start a ratification procedure, then the content of this declaration will obviously be pointless, which means that any breakthroughs in the European Council will be blocked.

Anyway, I personally think that four-fifths of the Member States is feasible within the European Union - if, that is, everyone assumes their share of responsibility. If we manage to reach that quorum, then a totally new situation would arise, a situation which certainly opens up new prospects vis-à-vis the current barriers. After all, if that happens, if we reach this four-fifths quorum and when we meet, I cannot imagine the Council simply running through the agenda as usual and not discussing anything, in the knowledge that the necessary ratifications were missing in the Union. This declaration to the Constitution would be rendered meaningless.

In the meantime, however - and that is also the message I would like to press home today - whether or not we reach the four-fifths quorum, nothing is standing in the way of the further integration that I have just described - quite the opposite. It would be good if a second track were opened alongside the ratification track. This second track would not require any changes to the treaties. It would be a project involving all countries that wanted to take part, as I described in detail a moment ago.

In other words, I am suggesting that we quickly develop a new strategy along two lines. The first involves moving forward with ratification and fully fleshing out and applying declaration 30 to the Constitution; the second involves making a new and significant leap forward in European unification, without requiring any amendments to the treaties, on the basis of a number of points I set out a moment ago. This two-track strategy is, in my view, the only way to get through the current period of uncertainty, which could drag on for years, in a meaningful way, and, above all, the only way not to waste time. After all, time is the last thing we can afford to waste.

In conclusion, I would like to add that, 52 years ago, the European Defence Community collapsed after a 'no' vote in the French Parliament. There was great dismay at the time, but the European leaders of the day did not let that setback throw them off balance. In fact, they knew perfectly well what they had to do. They did not need time to reflect. They did not need to make enquiries or organise opinion polls. They spent two years negotiating in one place, Val Duchesse, just a couple of kilometres from here. They then took the results to Rome, where they signed a treaty that led to the creation of the European Economic Community. That was when they put Europe on the right track for good. That was 52 years ago.

It is exactly the same thing that we need today. After all, the situation today is not all that different from the situation 52 years ago. Today, the majority of the French and Dutch citizens voted against the constitution, and today we must not let ourselves be thrown off balance. Today, the time is ripe for a major leap forward. And today we need bold policy to put Europe back on track.

Why, so far, have we not done the same thing they did 52 years ago? What is the big difference? What is needed? The answer is simple: courage, political courage. The same courage that Jean Monnet, Alcide de Gasperi, Konrad Adenauer, Max Kohnstamm, Paul-Henri Spaak and Robert Schuman demonstrated back then; the courage to pick ourselves up after a major setback, square our shoulders and keep on going. That, more than anything, is what we need now.



REGARDING EUROPE AS A CHANCE BY THE FORMER EU-COMMISSIONER FRANZ FISCHLER

Europe has moved from being a mere economic union to become a political global player. We are members of a society based upon unified laws. This not only affects policy-making, but also the structure of the European legislative bodies. And the efficiency of these bodies very much depends on their size. With the two most recent enlargements, which have led to a sudden increase from 15 to 27 Member States, the European Union has not only experienced a quantity but also a quality leap.

The resulting complications did not seem to be a major issue at first, but are becoming more apparent with each legislation procedure; and that is why there is no way around a reform of the most prominent EU institutions. Attempts at such a reform have unfortunately yielded little to no satisfactory results.

The original integration policy, which defined the process as a strengthening and consolidating of the Union in order to prepare for the enlargements, failed to be addressed by the Treaty of Nice. However, the urgent need for the reformation of the institutional structures remained. An attempt was made to rectify the mistakes of Nice by creating a European Constitution, but it was rejected by referenda in the Netherlands and France.

Adding to the problem is the fact that the European Project has lost most of its shine. The new Member States are just beginning to deal with their long-suppressed national identities and are therefore less enthusiastic about European interests. And even the "old" members are increasingly putting their own agendas first and using the Union as a scapegoat.

So, what can we do to get the European machine under steam again? It is, in any case, not a question of re-inventing the wheel, seeing as we already have a fully

drafted text of the Constitutional Treaty. At the same time we must not hope that the matter will resolve itself.

Essentially, two groups of Member States need to be satisfied as well as one separate state, whose special status needs to be considered. The first group consists of those states, which have already ratified the treaty or are in favour of a speedy ratification. They expect the main outline of the treaty to be retained. The second group encompasses the Netherlands and France, two states in which the citizens rejected the treaty in referenda, and a number of states that have halted the ratification process and need further input. Finally, there is the question of how to handle Great Britain.

How can all these diverse interests be fairly satisfied? There is only a comparatively short time-window to find a solution, which begins in June 2007. General elections are taking place in France in May. A debate preceding the elections would run a likely risk to cancel out possible solutions if they did not conform to election campaigns. If, however, the decision is postponed for too long, there is little chance to reach an agreement before the European elections in 2009.

The initial step towards resolving the reform issues is to abandon the term "constitution", because it is an erroneous term to begin with and the definition of a new title would signal a willingness to accept the rejection of the proposed treaty in various referenda.

What is really needed of the original treaty text is merely the first part, or more precisely, the first 48 pages. They should be retained in their present form and no alterations should be made in order to please some national interest.

The existing treaties should remain intact and a further consolidation should be dismissed. This may lead to a certain amount of minor inconsistencies, but is outweighed by the possibility of shortening the treaty by two thirds. A new method for changes in policies or alteration of single articles would have to be introduced to avoid long and tedious ratification processes, whereby the European commission

would propose the changes and the European Council, backed by the European Parliament, would pass the laws with a qualified majority.

Furthermore, there is no need for the Basic Human Rights Catalogue to be included in a new treaty, since it is already being practised as law. The only necessary change is to institute the possibility to file charges pertaining human rights in front of the European Court of Justice. This measure would eliminate another 30 pages of the constitution text.

At the same time the principle of subsidiarity should be granted a somewhat higher status. It should not be outlined in a simple protocol, but be included in the treaty as a separate article.

A considerably more stream-lined text could be achieved by the aforementioned measures, while leaving the core aims of the treaty untouched. This would mean that those states, which have already ratified the treaty, would not need to do so again. And the changes to the text should satisfy those who opposed or criticised the original draft.

What remains is the "British problem", which arguably is difficult to address with a Prime Minister on his way out of office. The old panacea of opting-out is not applicable in this case. Perhaps two different kinds of membership are the answer to this particular question?

So, have we seized the chances offered to us by Europe?

We have laid the foundations, but a greater effort is required! "New Governance" has so far remained a slogan only. We need new forms of governing to get the European Union back on track.

The principle of subsidiarity must not be operated as a simple side-by-side - or in all actuality a muddle - of various political instruments. The majority of crucial tasks such as the increase of academics within the society, energy supply, the social agenda and environmental issues simply cannot be addressed by one political body,

yet can also not be dealt with individually by each institution; that is why we very much need the subsidiary concept. This necessitates an open form of coordination, covering all administrative levels since most cries for a reduction of EU bureaucracy stem from visibly uncoordinated and cumbersome procedures. Additionally, rankings with clear-cut, uniform criteria need to be introduced in order to be able to compare the various national approaches and find the best. The European Commission would be ideally suited for this new task. It should grow from 'just' being the executive body of the Union and guardian of the treaties to become a politically independent European institution for Analysis and Evaluation.

New Governance also stands for a new way of cooperation between national and EU-institutions, economists and society. Direction and leadership in a future Europe can neither be provided by national feelings of sovereignty, nor by the lobbyist approach previously favoured by the Union. It is and will remain impossible for entities like states, economies, science or even societies to find sustainable solutions for our fundamental problems single-handedly. What we need above anything else is a cooperative style of leadership, which lies in the hands of civic societies and their elected representatives. The latter are becoming ever more relevant, since they are the ones who formulate new political ideas and are in position to create "public pressure", thereby forcing politicians into action.

This leaves us with the question of executive positions. The European Union is facing a dilemma, mainly because the selection process for European executive staff is based on national criteria. Member States appoint commissioners and parliamentary delegates and the leading body of the Union, the European Council, is also composed of national heads of state. Even clerks working for European institutions come from national contingents.

What we desperately need, are European parties that deserve the name. It is time for a political competition that not only contains national European policies. A European parliament thus equipped will elect a President of the Commission, who will in turn gather a competent team around him.

These are ideas of the future, but perhaps not so far away as the step after the next.

IDEAS FOR THE FUTURE BUILDING OF EUROPE

The achievements of the European Union are connected with statesmen who had visions and both the will and the possibility to let these visions become reality. Political leaders like *Winston Churchill*, *Robert Schuman*, *Helmut Kohl* or *Francoise Mitterand* have given the European integration an impulse and dynamic in the past. But where are we today? In which direction should the development of the European Union go in the future? Many European politicians expressed their views on the challenges and possible developments of the European Union. The following chapter shows a collection of summarized speeches - of course not exhaustive.



TONY BLAIR - A VISION FOR EUROPE (23RD JUNE 2005)

“In every crisis there is an opportunity. There is one for Europe now, if we have the courage to take it”

Blair believes that the negative outcome of the two referenda was not a rejection of the text of the Constitutional Treaty itself, but moreover an expression for the discontentment of the European citizens with the European current status. He concludes that not all political institutions are stuck in the crisis but that a crisis of the political leadership showed itself. The solution for the European dilemma could be found in the courage for change. In principle, the former British Prime Minister does not see a dividing line between the economical and political Europe. In the contrary it should be the duty of the political Europe to foster democratic and efficient institutions in order to be able to work together in the necessary fields. There was concrete need for action in the area of economic and social policy as well as in the area of organized crime, security and immigration. The European Social Model had to be modernized to improve competitiveness and to assist the citizens to cope with the effects of globalization. For the implementation Blair suggests to fall back on the Wim Kok report of 2004: investment in knowledge, in education, in an active labor-market policy, in science parks and innovation, in the universities, in

urban regeneration and in help for small businesses. In these areas he is looking at the economic challenges, whereas social regulation would not be goal-oriented. His second request is a reform of the budget. Expenses in the amount of 40 % for the Common Agricultural Policy were not modern any more. Thirdly, in his opinion it is necessary to implement the Lisbon Agenda and that furthermore Europe needed real progress in an economic reform that creates a more disciplined and at the same time more flexible macroeconomic framework. When it comes to organized crime, security and immigration according to Blair Europe needs a political agenda in Justice and Home Affairs putting the emphasis on the fight against terrorism, cross-border cooperation in the fight against organized crime, fight against human and drug trafficking and steering measures for immigration for a stronger security inside Europe. Regarding the security outside of Europe Blair wants to agree on an enhancement of European defense capability. He wants to increase the numbers of peacekeeping and enforcement missions.



JEAN-CLAUDE JUNCKER - EUROPE HAS A TASK IN THE WORLD (26TH MAY 2006)

“We should watch out that we do not go down in European history as the generation who missed out to arrange things as long as there was time, to definitively arrange things. “

Jean-Claude Juncker is a fervent supporter of the European project, who does not become tired to exert himself for the integration of Europe. He sees Europe in a crisis today, since one part of the population wants more Europe, while for the other part there is already too much integration. According to Juncker the success of the European Union, which Europe has achieved as a continent of peace, as a continent with a single currency and through the unification of formerly East and West are not experienced and appreciated as sufficiently positive.

In order to maintain the achievements, he thinks that it is necessary to continue working on this success story. Therefore in the first place European decision makers should bring European topics before the public in a rightly positive way. As to the working methods in the European Union he thinks that maintaining the Community method for European governance, where everybody can represent his legitimate interests at a supranational level, is a reliable success factor.

In order to be able to continue the European way, Juncker considers the Constitutional Treaty as necessary; however, he would rather refer to it as basic constitutional law. He thinks it should be the goal to implement the substance of the treaty within the next years, at least before the European elections in 2009 as later generations would not have the necessary relation to the historical events, which were the source of motivation for the European unification process, to make the European achievements irreversible.

He is convinced that without a Constitutional Treaty, without the completion of the Single Market, without social dimension, the European Union will develop into a free trade area.

Apart from other things, such as a Common Foreign and Security Policy, Justice and Home Affairs, a Common Public Health Policy and many others, Juncker is convinced that Europe mainly needs progress in two fields. Internally, Europe needed a common social policy within the next 10 years, which reduces mass unemployment and creates minimum standards. Externally, Europe had to take up its global duties. The largest European project has to be banning poverty from the world within the next 30 years.

He explicitly speaks against the concept of a “Core Europe”, which excludes some countries. Everything that is done in Europe should basically be done together with all Member States. A “Core Europe” of a few countries is not a sound, forward-looking concept and may only serve as a last resort, should a pan-European solution be hopeless.



**ROMANO PRODI - "TO COMPLETE THE EUROPEAN BUILDING"
(5TH NOVEMBER 2006)**

"Unfortunately the world does not wait for Europe, although we sometimes work in such a way, as if we would have the eternity before us"

Romano Prodi, as former President of the Commission has a somewhat special approach to the current reform discussion, because during his term of office the convention took place and the constitution was created. Therefore, the former Italian Prime Minister pleaded for the completion of the "European building" in an article for "Die Welt" on 5 November 2006, because the European Union without a constitution could not make any progress. Firstly, he thinks it necessary to eliminate the misunderstandings in the public discussion about Europe. Europe is no longer "the sole passion of a political or intellectual elite concerning the Enlightenment, but rather a remedy against the problems and sorrows of a changing world; hence, in a time of global challenges the idea of Europe would become again more modern", Prodi explains.

However, he noticed that the European Union gives the impression of being indecisive, which - in the opinion of the former Italian Prime Minister - is due to the institutional weakness. This paralysis of Europe lets the citizens' disappointments about the Union grow, because the people expect security and work from Europe, without receiving convincing answers. This is also a reason for the rejection of the European Constitution by French and Dutch referenda.

Without adequate instruments the EU runs the risk of "excluding itself from the solution of world problems and to become of no relevance". An innovative European industrial policy or a solution of the European energy deficit is not possible, if it does not to appear strong compared to the upcoming economies of the Asian countries or to harmonize the national positions in the energy sector. Also one should find a remedy for the institutional deficit in the foreign policy. Prodi

underlines, that as long as the European building is not finished, Europe could neither provide securities to his citizens nor to the world, which is demanded and the big threat of a retrogression and the sensitivity of attempted extortions of individuals will survive.

These are, from Prodi's point of view, pressing reasons to a reactivate the European constitutional process. Basis of the reforms should be the text - signed in Rome in October 2004 - because it is the result of long and hard negotiations. Prodi thinks that a simplification of the text is possible; essential parts in the current treaty are the provisions of a European Foreign Policy as well as the enlargement of the resolutions with qualified majority, which are now planed with the objective to create more efficient European bureaucracy.

In a former interview of the "Sunday Times", Prodi argues for a speeding-up of the EU-reforms by a core group of countries. This core group, comprising the six founding members without excluding others, should give priority to a common European Policy. Great Britain, as country with an independent policy from the EU, could not be in this core group.



GUY VERHOFSTADT - UNITED STATES OF EUROPE (2006)

"I think that 50 years after the launch of the Union, it is high time to make a choice once and for all: confederation or federation; unanimity or qualified majority; intergovernmental or community approach."

The Member of the European Parliament and former Belgian Prime Minister Guy Verhofstadt notably pleads for a further deepening of the European Union. In his manifesto published in autumn 2005 under the meaningful title "The United States of Europe" he claims a continuation of the European integration with the objective of a federal Union of Europe. This goal could be achieved if necessary with a two-speed Europe in which those countries who are in favour of a further integration

lead the way with a view to an accession of the other Member States on the long run. The core of integration should be the Member States of the euro zone who build the political nucleus as a sort of “United States of Europe” whereas the other Member States would form a confederation as an “Organisation of European States”.

These EURO-states and those who will implement the euro in the near future should develop a common social and economic policy to support the euro. Together they shall fight against low economic growth and unemployment but also against common social problems as delinquency. They should work on a common legislative on social minimum standards and tax policy. Moreover they should bundle their powers for the extension of research and development and the Trans-European Networks. Finally the Member States should take the initiative to found a common army and to stand up closely for a common foreign policy.

Therefore a reconstruction of the political structure would be crucial, as an active European policy was not possible without efficient, transparent and democratic institutions. It was only with a clear mandate and power that institutions gained democratic legitimacy. The European Commission should act as a real European government under the guidance of an elected president. The legislative power should be up to two chambers. The first chamber would be the parliament as a proportional representation of citizens like the existing European parliament and the second chamber consisting of the nation states like the present Council of Ministers. This construction could gain legitimacy through a referendum organised on a single European day of referendum.



ALOJZ PETERLE - WE CANNOT HAVE A STRONG EUROPE WITH A WEAK IDENTITY (APRIL 2007)

“There cannot be more political Unity with less political will. There cannot be higher social standards without an increase in economic growth. There is no strong Europe with a weak identity.”

Alojz Peterle is Member of the European Parliament. He was the first Prime Minister of Slovenia and was candidate for the presidency elections in Slovenia in autumn 2007.

The conservative deputy considers reforms in the European Union as inevitable and necessary. He points out that Europe has found solutions for the problems of the 20th century, but now it is time to look ahead and find solutions for the challenges of the 21st century. Therefore, he thinks that it is essential to consider matters with a certain regard of their complexity, but at the same time, if Europe wants to be successful, it has prioritise.

One of the new challenges that has to be managed is globalisation. It is necessary to find out where things can be solved by continuing present politics and where the Union needs new politics or a change of paradigm to manage globalisation. The more the globalisation processes connects the world and makes us interdependent, he believes, the more we have to focus on what the European Member States and citizens have in common. The fact that China, US, Japan and ASEAN are growing faster today than the European Union shows Peterle how important it is to work on the Lisbon strategy. He thinks we do not need a Europe of mottos, but Europe of programmes, actions, and leadership devoted to excellence. For a strong economy in Europe, he believes it is necessary to consolidate the macro-economic environment, to have a solid monetary policy targeted on long-term price stability and to continue with structural reforms to ensure effective competition and completing the internal market.

Another challenge to be faced is the role of the European Union in the world. The bigger the Union becomes, the bigger the expectations of its citizens are for playing the role of responsible and successful peace maker in the global area, believes the Slovenian presidential candidate. He thinks, it is not only the citizens of the European Union who have these expectations, but also many others from less politically stable parts of the world where the bigger influence of EU is wanted. He hopes that the Union will act more homogeneous in the future when it comes to crucial questions concerning foreign and security policies.

With the enlargement of the EU by welcoming Romania and Bulgaria, Europe approached the borders set by the Treaty of Nice. He says that there is an immense need for institutional reform ahead of us and we still have to be prepared to grow even further. Finally, he thinks that the EU has to plan new enlargements in the sense of a united Europe. On the other hand the Union can play a greater global role just by putting more significance to the political oriented Europe.



**ANGELA MERKEL - HUMBOLDT SPEECH ON EUROPE
(27TH MAY 2009)**

“A disjointed Europe could destroy the balance of the European Union”.

When electing Angela Merkel, Germany decided for a very pro-European Chancellor. In the series of speeches given at the Humboldt University in Berlin, the so-called „Humboldt-Reden zu Europa“, the German Chancellor outlined her vision of the European Union.

Angela Merkel’s European policy is based on four fundamental principles. The first principle provides for the protection of German interests and an overall perspective. As her second principle and leitmotiv, Angela Merkel indicates the “deepening of the

European Union“, which has no alternative. “Deepening takes priority over rapid expansion“. This is why she considers the Treaty of Lisbon to be decisive.

The German Chancellor is particularly firm about divisions in Europe, which she will not tolerate. This, she says, is the reason why she opposes the calls for greater coordination of economic policy in the euro zone. This would also entail the danger of the division of the single European market. Rifts with the extra-European space, as happened during the Iraq War, should not happen, either.

A disjointed Europe could destroy the balance of the European Union. The concept of increased collaboration has to be thought through more fully. Issues have to be pondered, such as the fact that stronger collaboration needs the agreement of all Member States, or the difficulties that stronger collaboration would bring for the European Parliament - should the Members of Parliament from not collaborating countries be sent away? Who would decide then?

The fact that the European Union must be effective does not mean that there is no longer a perspective for countries such as the Western Balkan states to become members. The question is one of priorities. At present, Merkel says, after the last round of enlargements, the European Union’s capability for action is not sufficient and has to be rebuilt.

The third principle of her European policy, Chancellor Merkel said during her speech, is to bring the uniqueness of the European Union into awareness. The Chancellor does not consciously consider the issue of an ultimate objective, since such long-term goals can at times make the next necessary political step more difficult. Attention is focused rather on the European Union’s relationship with national states, on the fact that national states are owners of the treaties and that the transfer of competencies has to be clearly regulated. According to Merkel, the question is if the EU can fulfill its tasks in its current form. The economic and financial crisis, Merkel said, has confronted Europe with an important mission. It was a difficult test, but the division of tasks between the Member States and the Union functioned well.

According to Merkel's fourth principle, the European Union works on the basis of common values. These values, which were often used to plead for enlargement, were to determine the direction when facing new challenges. It isn't only the euro, or the common market, that hold the European Union together, but also the common values which make solidarity and joint action possible.

The German Chancellor further outlined the Union's foreign policy mandate. Security policy, environmental protection, a social market economy and trade policy are the priority tasks for the next few years. This, Merkel noted, is the central mission of the European Union. The strengths that the European Union has built within its borders have to be projected outwardly as well, thus enabling the Union to contribute to a more peaceful, more secure and free world. Chancellor Merkel believes that Europe is capable of assuming this mission. Stagnation is not an alternative. And this is why Europe is such a wonderful thing.

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