

Michel Barnier

Member of the European Commission

Towards a New Europe

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Humboldt University

Berlin - 9 May 2011

Only a few days ago, in Finland, and a few months ago, in France, over 20% of those countries' citizens cast their votes for extremist and populist movements which are seeking to retreat behind their national borders. In other words, they are seeking to bring an end to the European project. And in addition to those voters, many others harbour doubts and worries, or are angry. On top of that, many young people are just indifferent.

It is with those fears and concerns in mind that I decided to write this speech, to set out what **Europe needs to be, and what it is not**.

In the early 1900s, Jack London and many other "adventurers" such as Arthur Conan Doyle and Paul Valery were expressing concern about the "*shrinking nature of the planet*" and their nostalgia for the world of mysterious shores which Alexander von Humbolt had explored and where one could still find "*the unlikely homelands of impossible populations*".

They felt that the increasing speed of life and transport, as well as colonial conquests, meant "*the infinite diversity of the world*" was threatened, even doomed to be overwhelmed by European civilisation alone!

One century on, everything has sped up even further: the media is everywhere, the Internet provides instant results. Trade, financial flows and immigration move faster than ever before... Technological progress is relentlessly speeding up time and shrinking space. The world is changing more quickly. It is changing more brutally. Our human societies are growing in complexity while, at the same time, they are more global, more unequal, as well as richer and more self-absorbed, while also more open to trade.

The Eurocentric world of the early 20th century has given way to a multipolar world, with inter-dependent players and a centre of gravity which is shifting eastwards. Competition means the long-standing economic supremacy of the West is at risk and is forcing Europe to rethink its model of growth. Technological progress has multiplied the impact of the human population on its environment and threatens to exhaust our resources and areas of unspoiled nature. The South is seeing a population explosion, while the West is entering a demographic winter. In sum, what is actually at stake for Europeans is their ability to remould their model of civilisation and carry it forward into the future.

So there should be one big question which should concern and motivate the leaders of our continent:

In 2050 – when our children are in their prime – will it still be in Europe that things are done and decided? Will Europe be a global power which is capable of defending itself and promoting its values, ideas and interests?

Or, will we witness a lack of political courage, vision and shared will? Will Europe be unable to cope with the dynamism of other regions of the world, and be paralysed at home by national populism and selfishness leading it to resign itself to being nothing more than a regional power? Will Europe be a continent under the influence of the United States, China, and even of Russia, in the best case, a sub-contractor for other's economies, and in the worst, nothing more than a consumer of products manufactured or designed by others?

That is the big question! It is a simple one.

The citizens of Europe are far more intelligent than certain politicians believe. Every individual is able to understand these issues, and that it is in their interest – and in that of their children – to address them and to react to them.

In 1950, on 9 May, Robert Schuman gave tangible form to the political response of a small group of political visionaries to an equally serious and straightforward question. Are we willing to give ourselves the means to live in peace and put an end, once and for all, to what Victor Hugo called “*European civil wars*”? This was to be achieved through the economy and trade, by polling together our fragmented markets, through fair competition and a common industrial policy (coal and steel), soon followed by additional economic policies for food and agriculture...

These politicians gambled that solidarity would be in practice be created and nurtured, and that the shared *interests* of being together would come and consolidate the *desire* to be together.

6 years later, it is more than ever in our *interest to be together*, and we still have a *need* to be together. It is no longer a matter of avoiding war between ourselves, but rather, of giving ourselves, together, the means to bring collective influence to bear on the affairs of the world and, looking beyond our differences, to place the shared values that bring us together on the world stage.

In my heart, I am convinced that Churchill, De Gaulle and Adenauer - who I deeply admired because they were passionately patriotic while also being pragmatic and clear-sighted, would today say that defending one’s national interest can no longer be a purely national matter¹.

They would say that the union of Europeans is not an option, but a vital necessity to be able to count, protect ourselves and gain respect.

On this 9 May 2011, our interest and our need to be together are stronger than ever. But do we still *want* to be together, do we still have that *desire*?

People’s suspicion of or indifference to Europe is not new.

For 60 years we have been building Europe for its citizens and in their name; but too often we have been doing it without them.

A malaise has taken hold and the gap between Europe and its citizens has gradually widened. The hard work done every day by the European Parliament – the only European institution which is directly answerable to the people – will not be enough to bring about reconciliation.

We have been looking for a solution to the European malaise for 10 years now by focussing on our institutions. We even, undoubtedly too audaciously, devised a “real Constitution” recommended on this very spot on 10 May 2000 by Joschka Fischer.

With hindsight, I think that it was a mistake to talk so much of the engine and mechanics of Europe instead of talking about the road we are travelling on together, the stages along the way, and its destination.

Why are we together? What more should we do together? Where do we want to go? What are the geographical frontiers and political limits of this joint undertaking?

We need to demonstrate urgently once more that Europe has a *purpose* and that we have a *common interest in being together* in the 21st century. And this needs to be demonstrated without falling back on the fears and slogans of the past, but by being in tune with today's world. The age of the Internet and climate change, the age of China, India and Brazil, as much as the United States and Russia.

¹ A question posed by Chris Patten, a former European Commissioner, in a conference at Oxford.

And today's world is not easy. It is a period of uncertainty and of an unclear future, a time of shrinking room for manoeuvre. **But one thing that I am absolutely sure of, is that this period will be even more difficult if every European tries to go it alone, fighting his own corner, rather than working together.**

In the years to come, woe betide anyone who refuses to move while everything around them is shifting. In years to come, woe betide anyone who chooses to go it alone over solidarity!

As President Obama told the American people: "*The rules have changed. The world has changed*"².

Let us look at this world as it is, clearly and without nostalgia. With the challenges that we will have to face, whether we want them or not. There are at least five that I would like to mention briefly. And what I am giving you here is my frank and open personal opinion which, I am sure you will understand, does not commit in any way the European Commission.

The first challenge is that of demography and mobility.

Our continent is the only one on the planet that will see its population fall over the next 40 years. By then, India's population will be greater than China's. The immense continent of Africa, a stone's throw away and five times larger than Europe, will have a population of 2 billion, half of whom will be under 20 years old.

For Europe, this challenge is first and foremost about the size of the active population, needed to sustain activity and growth in Europe and to ensure that pensions and the social safety net can be funded. The proportion of people over 65 years old will surge from 17.4% in 2010 to over 30% in 2060.

To take up this challenge, the countries of Europe must devise a coordinated policy to boost the birth rate and provide support in childhood, This means an integrated population policy. This is indispensable. It will not be enough.

Europe must continue to be a place which welcomes immigrants.

The most important point to remember is that the mobility of peoples and individuals in Europe has been a source of human progress and personal fulfilment. I am thinking of Arab mathematicians and the students from across Europe who would come together in the 16th century to universities in Germany and the Netherlands, for example.

By closing its borders and turning in upon itself, Europe would be "*sacrificing the future to the present*"³. We need immigration to guarantee the sustainability of our welfare systems, and the dynamism of our economy. It is in our interest, and it will help us ensure our own security, to offer a helping hand to developing countries. **The Schengen Area – a joint responsibility for a single border – has been a formidable step forward and it was a historic decision. It needs to be improved, not watered down. To my mind, this means reinforcing the Community logic behind it,** for example, by using Frontex as the basis for a truly European body of border guards. It is the meaning of the actions being undertaken by the Commission in this area, under the help of Cecilia Malmstrom.

² 2011/01/25 speech on the State of the Union

³ In the words of Pierre Mendes France, former Prime Minister of France.

Today, Germany's external borders are protected in Greece and in Malta. Entry into and exit from EU territory needs to be subject to a common visa policy, excellent training for border guards and organised and secure exchange of information on entry into EU territory. We need a single radar screen monitoring the situation. Not 27.

In our discussions with the countries from which our immigrants come, we need to bring together developmental aid, study visas, research and legal work, as well as guarantees that people and the knowledge they have acquired will return to their countries of origin after a specific period. This is how our neighbouring countries will become countries that provide stability.

Lastly, we need to work together to build a true common asylum system in Europe, one which gives tangible form to our European values of humanism and solidarity. In 2010, 223 000 decisions on applications for asylum were taken. Europe has a duty and the means to offer this solidarity. On its own, no Member State will be able to achieve what we must achieve together.

To be successful, we need to have a strong and humanist Community policy on immigration and integration. A policy which respects human dignity and allows the free movement of people without causing a brain-drain in developing countries. Those are our values. Those are our traditions. And it is in our own interest.

The second challenge is that of energy and climate change.

The European Union, at the behest of the Commission and its President José Manuel Barroso, took the lead in Copenhagen and Cancun. The goal is to stabilise the rise in the average global temperature at less than 2°C by 2050.

We are not sure that we will be able to achieve this. All of our habits of production, consumption, agriculture, and transportation will have to be called into question. If we do nothing, the rise in temperature and the soaring cost of energy from fossil fuels will call them into question for us. By jointly taking the lead in facing this challenge, Europeans are not being naive. They are being clear-headed. **If we do not create now a society which chooses moderation, we will be forced into a society which faces deprivation.**

Consuming more wisely. Polluting less. Today the same determination is needed for the energies of the future as was needed for coal and steel when the ECSC was founded. Photovoltaics, biomass, electric transportation, natural gas, solar energy and wind energy: we must ensure we protect our research and our industry! Time is of the essence, particularly if the move towards less or no nuclear grows.

Let us make no mistake: every player on the planet needs to play their part, but it is clearly in our interest to show the way. We cannot waste the little time we have left waiting for others. Rather, let us live up to our vocation to bring others with us on the issues we believe in, showing the example should convince them to follow.

This cannot be done in a day, but Europe must forge ahead. Putting into place a European ecological taxation system and making the European greenhouse gas emissions trading scheme (ETS) set up in 2005 work are urgent challenges.

The third challenge is our economy, that is, the growth and the jobs that it must provide. Once again, we must not be afraid to face the truth.

In 2011, five of the ten most economically powerful economies in the world are European. 5 out of 27! And if current trends continue, only one of those countries will remain in the top ten by 2050⁴.

We must make Europe once again the best place in the world to work, create and produce. The keys to such new growth are well known. Firstly, a large, more integrated and more competitive European market which is more accessible to SMEs. We are working towards this with the Single Market Act⁵. If we make this 500-million strong market of consumers work to its full potential, we will be giving our businesses a major opportunity when facing international competition. Germany's success in this area is an example for us all.

But the return to growth presupposes rediscovering trust, trust which was severely undermined by the economic crisis. And rightly so, since taxpayers have been called upon repeatedly to pay for the consequences of irresponsible behaviour or a lack of collective oversight.

To rebuild trust, we need to begin by once again placing the principles of transparency, regulation and responsibility at the heart of the financial sector. And whenever it is necessary, we need to punish abuses and the taking of uncontrolled risks.

The European financial sector has a competitive interest in basing its future growth on a healthy, more transparent, and more moral foundation. We are working with determination towards this for banks, the insurance sector, hedge funds, and other market operators.

There will be no going back to "*business as usual*", as some with short memories might hope. And once again, we must not be afraid to lead the way: leading will still be less costly than failing to take action because we are waiting for others.

But we must be honest, the crisis was a challenge to one of the most emblematic steps forward in the construction of Europe: our common currency. There was no euro crisis, but certain eurozone countries have suffered badly.

Even more seriously, the crisis revealed that the rules which we thought provided a solid basis for our currency were not sufficient. And I am fully aware of what monetary and financial stability represents for a country such as Germany, and rightly so.

I firmly believe that, not only have we addressed the difficulties of certain countries in the euro area, but we have also, finally, devised the tools of governance, fiscal surveillance, economic coordination, and solidarity which should have been created at the same time as the euro itself.

No longer should any country in the euro area feel it is alone. Nor must any country forget that solidarity starts with respecting the rules decided on together. No country must believe it is exempt from this "*culture of budgetary stability*".

Sometimes governance and rules are played against each other. That is, of course, absurd. Both strict rules and political mechanisms for monitoring that the rules are properly implemented are needed. I believe that this is what we have finally put into place.

⁴ Let's choose growth. Office of the Prime Minister of the UK, April 2011.

⁵ http://ec.europa.eu/internal_market/smact/docs/20110413-communication_en.pdf#page=2

Whether or not a country is in the euro area, “*the high standards of governance need to be complied with*”, as the Prime Minister of Poland, Donald Tusk, wisely stated a few days ago⁶. Along the same lines, Jacques Delors, who knows what he is talking about, called on us “*not to ask the euro to bear the weight of our own inadequacies*”⁷.

At the heart of everything that is at stake with governance, it would appear logical that the positions of President of the Euro-Group and Commission Vice-President for economic affairs should be held by the same individual, as was done for foreign policy with the High Representative.

Lastly, I believe that we must dare to create new common policies to foster growth on our continent, and invest in education, training and innovation.

Europe needs to set up a common fund for patents, as well as a fund for venture capital for SMEs.

In 1960, we had the will to create a common food and agriculture policy which today generates more jobs than the automobile sector.

We now need this same political will to promote our strategic industrial sectors.

We must launch a European debate with Member States, the European Parliament, our businesses, about the sectors, and the know-how we want to promote to maintain a competitive edge in a global world. Those sectors where it is essential that Europe maintains its sovereignty.

We must also find the courage to impose reciprocity in trade with our American, Chinese or Japanese partners, when they do not spontaneously act in such a manner.

There is one final key to trust. **I am convinced that good economic performance in Europe cannot be sustained without social cohesion.**

Maybe the crisis is over for certain financial institutions. Their crisis! But the economic, social and human crisis is still going on. With so much frustration, poverty and struggles, all so unequally borne. We must be wary of the populism to which these frustrations give rise, and avoid the protectionism which might – and in fact is - coming about with the temptation to withdraw within national borders and fall back on demagoguery.

I am today calling on those who believe, as I do, in the market economy, in being open to others, in trade. I recently heard the British Prime Minister, David Cameron, making a plea for an integrated market, economic freedom, e-commerce, and less red tape. I felt I could have signed my name to his speech.

But all of this may shatter against a wall of populism and protectionism if we prove unable to reassure, bring together and protect the citizens of Europe. That is why there will have to be rules on bonuses and the highest salaries which, at a time when 10% of Europeans are unemployed, are simply unjustifiable. A tax on financial transactions will have to be set up. And financing the resolution of banking crises. After all, it is the banks that should pay for the banks, not the general public! All the forms of social entrepreneurship will need to be developed, and European social dialogue needs to become the norm.

The new Europe that I believe in needs to have an open economy, but without being naive. It cannot be a Europe which is merely a large free trade area, without fairness.

⁶ Interview in the newspaper, *Le Monde*, dated 10 April 2011.

⁷ Speech before the French Senate.

The new Europe that I believe in must be a producer of collective goods which rebuild solidarity, while spreading competitiveness. I am thinking in particular of the major network industries.

The new Europe that I believe in will have a system of governance which makes it possible to put the common good ahead of individual interests and shift market mechanisms towards sustainable development.

I firmly believe that public authorities have a fundamental role to play: in economic performance and social cohesion; in guiding markets and economic players towards collective ends that have been chosen democratically and, where the markets fail, in financing effective public services.

As I say this to you, I am thinking of something that Jean Jaurès, an inspirational figure of French left, used to say : *“Seek what it is ideal and understand what the reality is”*.

All my past actions in France were as a patriot and as a European.

I believe that Europe needs to be united to be strong, and that to be respected, we need a political Europe.

Such a political Europe can only be constructed on the basis of a large, integrated market. But at the same time, this market will only consolidate itself and work better if citizens and businesses in every region take true ownership of it. And if Europe’s young people, those most affected, once again find social mobility is open to them.

The time has come to reconcile what we would call the “Anglo-Saxon” vision – the most free-market oriented in Europe – with the continental vision of a social market economy which has been defended for 60 years by the Germans, the French and many others.

Looking at other countries and looking back in time, we can see that the foundations of power are an economy, a currency, a foreign policy and a defence policy.

We are not there yet. Not even close!

And that is why I want to mention a **fourth challenge, that of our foreign influence, our diplomacy and our security.**

We Europeans are not fated to be divided and scattered throughout the rest of the world, or even, in many cases in our neighbourhood.

The weight of our economic, cultural and strategic interests will ultimately outweigh our past rivalries and competitions. This is the lesson to be drawn from the crises and upheaval in the Balkans, where, 15 years ago we were divided, and yet, today, we are acting together. We need to learn lessons from the crisis in Libya, and overcome the disagreement between France and Germany.

But a common European diplomacy – note that I did not say “single foreign policy” – cannot be the result of improvisation in an emergency, nor can it come from a top down approach, or be forced by one country on all the others.

It needs to be built up through the patient and voluntary pooling of expertise, geopolitical analyses, strategies, and, where necessary, intelligence.

And each and every European country, wherever it stands today, with its own history, culture, friendships and special relationships, has something to contribute to this undertaking.

That is why the EU diplomatic service, which, I believe should be called the European Ministry for Foreign Affairs, has such an essential role to play.

Under Catherine Ashton, it needs to be the place where a **common diplomatic culture** is forged.

It must not be the place where foreign policies which are already EU- wide, such as those on development, neighbouring countries and trade, are dismantled and downgraded into mere cooperation between a few Member States.

It needs to be the place where the tools to manage crises put into place 10 years ago will be maintained and strengthened.

If we so wish, this service will be the place where we progressively shape a common culture and maybe, one day, a common identity. With respect to nearby Russia and the Middle East, which is so complex and so troubled. And of North Africa which is shaking off the shackles of oppression and is expecting much more from us than a closed door. But also in respect of the Americans who are slowly coming to grasp that a Europe which is politically and militarily weak is a weak ally. And in respect of the other vast continents that are Africa, Asia and South America.

In this new world, fragile and unstable as it is, Europeans also need to understand the extent of the major change in the United States, which no longer considers Europe to be one of its security challenges. This is both good news and a new challenge for us.

In terms of security (terrorism, cyber-attacks, organised crime) or defence (regional conflicts, collective defence of our continent, nuclear proliferation), no European Member State can face all these threats alone.

And I would like to add that budgetary constraints are such in each of our countries, that if one stays alone, it would lead to others no longer being able to be up to the challenge.

It is the reason we need to move towards a truly European defence policy.

60 years on, work on a European defence community needs to be restarted, if necessary through the "*structured cooperation*" which is now possible under the Lisbon Treaty. A true military staff structure, systematically bringing together research efforts and resources, and favouring European products when purchasing equipment. All of this goes far beyond the necessary, but insufficient, cooperation between France and the United Kingdom, or between Germany and Sweden.

The EU needs to set up a permanent capacity to plan and carry out operations in the way suggested by Poland, Germany and France.

All in all, the objective must be that Europe is ready to take responsibility more and more for its own collective defence, but also become a robust and credible partner for the United-States.

The consequences of a failure of the EU to take control of its own security and defence would be heavy with consequences.

The EU has legitimacy in the area of defence, as it does in other areas. This is the belief that has led France, under President Sarkozy, to take up its full role within NATO. Everyone who, like me, believes in the North-Atlantic alliance needs to understand that the balance, credibility and strength of the NATO/EU relationship depend on the political impetus which will be given to European defence. It is an issue of trust, and I would recommend that nobody on either side of the Atlantic underestimate this requirement.

Lastly, I would like to plead for two tangible and citizen-oriented initiatives for Europe's external action. First of all, the creation of a **European Civil Defence Force** which is able to prepare our response to the natural, industrial and humanitarian catastrophes which are multiplying. There again, we must be able to exploit the scope for willing Member States to lead the way.

And secondly the creation of a **network of European consulates** throughout the rest of the world which would bring together, at the very least, the countries of the Schengen area willing to work together and jointly provide assistance to their compatriots.

Jean Monnet liked to say "*I am not optimistic. I am determined!*"

Without a doubt there are many reasons today to view European construction with pessimism. But there are even more reasons to be determined.

Faced with so many challenges, I have tried to give an overview of the reasons that we need to work together in this world where Europe is often hoped for but no longer expected, and why that is in our interest.

There is one last challenge that needs to be taken up, one that is the keystone of all the others. That is the challenge of European democracy.

That of the trust of the people! That of the "*desire to be together*" that I mentioned at the beginning of my speech.

Citizens need to be told the truth. The truth about where we are headed. The truth about what we are within this union. And about what we are not.

We are a continent where every people, every religion and every opinion is respectable and respected.

And yet, we are not a single European people. We cannot be a European nation. There is no question of a federal state which would take the place of the nation states or the regions.

Today, we include 27 peoples who express themselves in 23 official languages. We are 27 nations and 27 countries, all of which hold their differences, traditions and cultures close to their respective hearts.

And yet, these 27 nations have chosen to live and act together rather than to simply coexist beside each other. They have chosen to share many of their policies and voluntarily pool their sovereignty, simply to create European sovereignty.

This project is unique in history and in the world. It cannot be straightforward. It is simply revolutionary. And it is fragile.

We need nations to bring citizens to terms with the European project. **We need nations to combat nationalism. And, at the same time, we need Europe to take control of globalisation and make it more human, in a word, to make it succeed.**

The new Europe needs to be a veritable "**Federation of Nation States**"⁸. It needs a strong identity and a strong voice. **One day a future president of the European Union**, whoever he or she will be, should both preside over the European Council and chair the European Commission where, I can bear personal witness, proposals and motivations which are as close as possible to the common interest are shaped.

⁸ This expression was coined by Jacques Delors.

The drafters of the Lisbon Treaty were careful not to rule out this major and symbolic step forward. The individual who would become president of the European Union on a proposal from the heads of state and government could have their power vested in them by a Congress comprising both the European Parliament and representatives of the national Parliaments. Further in the future, they could obtain a direct mandate from the peoples of Europe. **In this new dynamic, the European Parliament, directly elected by these peoples, would see a boost to its legitimacy.**

But there are certain things that it will never be possible to write down in a treaty or decree by means of a directive. The European spirit is one of these! The collective morality, the political will of its leaders, how, as a group and personally, they gauge their responsibility before history and before the world of today and of tomorrow. Their ability to take on and explain the European project and their commitments to citizens.

We have five years before us. We do not have much more time to choose our destiny. Over the next five years, there will be presidential or legislative elections in almost all of the 27 EU countries. A new European Parliament will be elected in 2014. We will decide on the EU budgets and the common policies that this budget will have to fund for seven years.

The financial crisis which nearly razed everything to the ground three years ago stemmed from a caricature of the free market, from a false and unfortunately, widespread idea in Europe that markets regulate themselves.

We have reacted to this and are taking action with others and for ourselves to create the tools for true economic and financial governance.

But this financial crisis is not the only crisis that is going on. Ecology, food safety, climate change, poverty, stability, and combating terrorism: in every case, there is a need for worldwide governance.

For world governance, the table around which today's G20 gather will not be enough. **Europeans need to be active partners, not mere spectators** That is why the unity of Europe remains a new and just idea.

I appeal to the 27 Heads of State and Government and to President Herman van Rompuy. This unity is in their hands. There are valid reasons for making a new deal with the citizens of Europe for each of the challenges I mentioned. A new deal for a Europe that acts, protects, and influences the course of things. I am convinced that the European Commission and the European Parliament will contribute their share.

I would like to thank you for having given me the opportunity to state my beliefs freely today, 9 May, in Berlin, at a juncture where Europe's political leaders need as much collective courage, boldness and political will as they did 61 years ago.