

# Europe at 50: lessons and visions for European integration

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## **The central lesson of the past**

Let me start by quoting a passage from the Berlin Declaration marking the 50th anniversary of the Rome Treaties:

*We have a unique way of living and working together in the European Union. This is expressed through the democratic interaction of the Member States and the European institutions.*

Yes, the democratic interaction between nation States and common institutions has been the key for the EU's unique evolution. The European project was not only an ambitious idea but a truly great idea, exactly because it managed to harness the ambition, the skills and the best historical legacies of each member country in pursuit of a set of common and open-ended goals. Essentially, this has been the European unique way of overcoming old style nationalism. For the first time in history, the design of European unification was based on voluntary consent instead of force.

If we look back to the past 50 years, this central lesson is clear: a strong Union demands States which are, at the same time, well aware of their objective limitations and ready to pool sovereign prerogatives. From this point of view, the federal vision of Europe was only partially correct as it envisaged a linear progress away from national sovereignty and toward supranational authority. But the opposite view, which considered nation-states as the only viable political unit and thus rejected any significant surrender of sovereignty, has also been overtaken by events. In fact, we are now in a position to see from experience that the way of the future is rather one of shared sovereignty and multilevel governance. Which brings us to a key conclusion: one fundamental requirement for a successful Union is an effective division of responsibilities.

In the past half century, this paradigm of democratic interaction between the member states and the European institution has been essentially directed at pacifying the Old Continent through economic integration. We obtained a historic success, proved by Europe's uneventful reunification.

The problem that confronts us today is of a different nature: the challenges are no longer just intra-European but have become global. Therefore, the question we should address is clear-cut: will an organism created under a regional logic be capable of meeting global challenges?

In the abstract, the answer is simple: the Union is now even more necessary than a half century ago.

This is a basic assumption I believe we share as political leaderships across the continent (including this side of the Channel): Europe is an ever more necessary protagonist in this age of globalization (with its winners, its losers, its many hopefuls), and in this age of shifting risks and threats. Europe is the best way we have to meet a number of complex challenges while safeguarding our democratic political systems. No nation state, taken individually, will ever be capable of that.

In practice, however, the global shift has generated a profound crisis in the European Union by setting in motion a sort of chain reaction: some of the national leaderships have shown the tendency to put the blame of their domestic problems on Europe; sectors of public opinion have begun to view Europe not as a protection from global challenges but instead as a factor of weakness. As a consequence, the European "unique way of living and working together" has lost legitimacy. And the Union has stalled.

The way out of our predicament is what I would call a new "pact for Europe". As in the past fifty

years, the new pact for global Europe can only rest on national leaderships that are truly committed to the European choice. More than in the past, the EU also needs – this has been the French-Dutch lesson - the active support of its citizens: not only the permissive consensus we have had most of the time but a democratic consent. Here, I fear that the issue of national referenda is becoming a pretext to avoid the real point: political leaders must engage directly their voters in the formulation and pursuit of a positive vision for a global Europe, both ideal and practical in nature. National referenda are not necessarily the way to go. I would rather favour parliamentary ratifications of a new Treaty, followed by practical efforts to turn the 2009 elections for the European parliament into a real political contest on the EU.

In the aftermath of the French presidential election, we can now say that France is again on the move, with Nicolas Sarkozy, as key European player. This will have positive effects on the wider European stage: the EU crisis has also been due to France's absence since the rejection of the Constitutional Treaty.

There are now better conditions in Europe for a fresh start on several fronts where problems have accumulated: the "pause for reflection" has really come to an end. If the European political dynamics can now take advantage from the return of France, I take this opportunity to tell you today, very frankly, that the UK is equally crucial to the future of a global Europe. Global Europe needs the UK, at least as much as the UK needs Europe. None of the member countries can sideline itself without the whole EU suffering from a lack of adequate political will.

### **The core Treaty**

Resolving the Institutional debate is the first ingredient of a new pact for Europe.

So, let me turn right away to this controversial question.

The argument has been made that practical challenges and priorities ought to take priority over a doomed Constitutional Treaty – priorities such as the Doha trade Round, the Lisbon agenda, energy issues, climate change. The trouble is that without agreeing on a reformed Treaty, the Union's commitments on these fronts will not be credible with either its own citizens or third parties. And its ability to follow up on formal decisions and declaratory policies will be severely constrained.

It is a matter of political realism that we should take stock of the negative outcome of the referenda and of strong reservations expressed in those member states which have suspended the ratification procedure, including the UK. It is central, however, to take into the same consideration that as many as 18 countries (Italy among them) have indeed ratified the Treaty, and that they represent a majority of the EU's population. This is the starting point: this relevant democratic reality needs to be incorporated in our future deliberations.

Of course I am well aware, as any sensible person should be, of the serious hurdles that have to be overcome: compromise at 27 will not be easily achieved. But the uphill path so skilfully pursued by Chancellor Angela Merkel makes an agreement possible at the Next European Council on the road map to move ahead: Italy will act as a consensus builder, but without giving up on the points we consider essential.

As far as methodology is concerned, our preference was and still is for a single new Treaty that would substitute the existing ones. Having said that, as far as contents are concerned, it seems indispensable to the Italian government that we preserve the substance of Part 1 of the Constitutional Treaty, containing the founding rules of the Union and its institutional structure. This truly represents the basic institutional frame, with common rules to be agreed and followed by all. In this context, certain significant innovations in the current Part 3 should be preserved, in policies such as the CFSP or judicial and police cooperation.

As to the current Part 2 of the Treaty, we are available to envisage solutions that would imply the insertion in the Treaty of a single article containing a reference to the Charter of Fundamental Rights and sanctioning its legally binding nature.

Italy's position, thus, is that the core of any new Treaty has largely to coincide with part 1 of the 2004 Treaty – signed in Rome by all the Heads of State and government. Only this would allow a coherent reform and consolidation of the EU institutions. Minor amendments of the Nice Treaty would not suffice.

The essential reforms we have to preserve are easy to single out - since they are those that meet the criteria of democratic effectiveness and legitimacy: the single legal personality of the EU; the creation of the position of Minister of Foreign Affairs, simultaneously chairing the Council and being a member of the Commission; the designation of a full time President of the European Council; the extension of majority voting for all the cases foreseen in the Constitutional Treaty, on the basis of the “double majority” system; a streamlined Commission. I am aware of the UK's red lines. Let me emphasize – discussing one of them - that the single legal personality would make the EU's international role more effective – and this is an objective shared by London.

On the whole, these are the key indicators, in the Italian view, to determine whether the Union will have the capability to make decisions and act in the new global context. And these are the conditions on which an IGC can be held expeditiously.

Looking to new sectoral policies, we all know that flexibility will be the key to allow EU member countries to feel comfortable with differentiated levels of commitment. Thus a more flexible approach may be adopted for the new common policies, including forms of “opting out” or “opting in”. In foreign policy, this requires that the veto right be abandoned in favour of constructive abstention.

There is no doubt, in fact, that with the widening of the Union, its flexibility will also increase – in other words, arrangements based on variable geometry will become more frequent. For instance, it is conceivable that the common foreign policy could be structured around criteria of geographical responsibility and “contact groups” receiving a mandate by the EU Council. Trends towards Schengen-like agreements are visible in internal security, where progress so far is more encouraging than many people think. Italy has every interest in participating in specific arrangements for closer integration or reinforced cooperation among a limited number of members. The precondition is that they should remain open and inclusive. From our perspective, such arrangements should in any case be placed in a unitary institutional framework. It is what distinguishes a more flexible political Union from its possible fragmentation.

Unlocking the potential for such a treaty deal is imperative because time is tight; we have to achieve this objective by the election of the European Parliament of June 2009. In the absence of binding commitments and some common rules, our national governments will easily become vulnerable to all sorts of domestic and sectoral pressures as well as temptations to protect narrowly defined national interests. Paradoxically, in most cases they will fail to advance even their specific national interests, given the trans-national nature of the challenges, but in the process they will have undermined EU cohesion.

Returning to the point I made earlier on the need for active consensus, we know very well that a vast majority of European citizens do expect a lot from the EU: they want the EU to deliver in key areas such as employment and internal security. Their support is clearly conditional and their assessment is based on performance – as is always the case in any healthy democratic system. With this in mind, it becomes clear that the “core Treaty” we will soon have to negotiate should pass a critical test: will it enable the Union to perform better? We should never lose sight of the fact that institutions are a means to a goal, not a goal in itself. If we can agree on this assumption, I am sure it will be possible to make a convincing argument in favour of a reformed EU based on a new Treaty, even when faced with anxious electorates.

At the same time, a clear and rational division of power and responsibilities among the various levels of governance is a prerequisite for effective policies. If we compare trade policy, where Europe has a real common policy, and CFSP, where this is not the case, the advantages of a stronger coordination are clear.

The value of institutions should thus be assessed by taking full account of the cost of non

coordination (or simply the failure of coordination) in their absence: suffice it to recall the unsatisfactory results of the Lisbon agenda.

Finally, politics and policy have to be combined if we wish to lay the foundation for active democratic consent. Elections to the European Parliament should be perceived as a true democratic contest: designation of candidates to the Presidency of the Commission by the Parliamentary groupings, supported by trans-national political platforms, might facilitate such an outcome.

### **The need for stable borders**

Let me now turn to a specific contribution that Italy can make, by offering a few reflections on the link between the widening and deepening of the EU. If defining the “internal” borders of the Union – that is the division of responsibilities – is the first ingredient of a new pact for Europe, defining its “external” borders is its second important component.

An important lesson – and another bit of a vision for the future – should be drawn precisely from the recent debates over both enlargement and further integration.

There is a paradox at work here: as the EU continues to attract prospective members in its external projection (‘outside’), it has become much less attractive and less effective in its internal projection (‘inside’). Individuals and groups that are already ‘in’ increasingly question the added value of the enlarged EU. In fact, they believe that enlargement is just a sort of Trojan horse of globalization’s troubles.

We only have to look at the data from Euro-barometer: with the exception of part of the new members, enlargement now has few supporters in the continental heart of Europe. In other words, it is becoming a project embraced by the political elites, but much less a project enjoying a solid democratic consensus.

And when such a gap opens up – between political choices and democratic backing – the real task of Europe’s leadership is neither to exploit these fears (and succumb to pressures from their publics) nor ignore these fears (and just move on as if there is nothing wrong). The right course of action is, I believe, to engage in an open discussion trying to show how the level of anxiety is unjustified and how some of the challenges can be tackled precisely through a better functioning Europe.

The gains and the ‘positives’ of EU enlargement have almost disappeared from the public debate. The costs and uncertainties brought about by the EU enlargement are underscored, not its benefits. However, the reality is that the costs of non enlargement - in terms of loss of economic opportunities and fragile stability - would have been much higher for the Europeans.

In short, it is not the enlargement ‘per se’ that caused the present EU’s impasse. It is rather the fact that enlargement should have been better managed.

A logical conclusion flows from this line of reasoning: whoever is in favour of enlargement – like Italy, like the UK – should also be in favour of institutional reforms. Not deepening as an end in itself but rather as the degree of additional integration which is needed for a wider Europe to deliver on its promises.

A broader way to frame the debate on enlargement is by better defining the type of European identity we ought to strive for: it ought to be a constructive identity based on positive democratic values, including our ability to integrate while respecting diversity. The opposite of a negative identity based on a fear of diversity and a sense of exclusion. In the latter case, in fact, we would turn Europe into a sort of epicentre of the clash among civilizations, which is an absurd outcome running contrary to the values we most cherish, as well as to our common interests as open societies with a vast network of global relations. If we move from this standpoint – as well as from geopolitical motives – the case for Turkey’s future accession becomes strong: provided, obviously, that Turkey is able to overcome its current institutional crisis, consolidate democracy and fully meet all the agreed criteria. We must avoid a risky vicious circle: opposition in Europe to Turkey’s

membership and anti-democratic temptations in Turkey are mutually reinforcing.

The same is true for the Balkans. A solid European perspective is the strongest, if not the unique, guarantee for stability, development and democracy in the whole area. We should therefore confirm with conviction and determination our strategy aimed at offering a credible prospect of full integration into the European structure to the Countries of the Region.

In order to reinforce this positive vision of a common identity, Europe will however require stable external borders. Any international actor needs agreed and clear borders. In the absence of an understanding of its ultimate frontiers, the European identity, too, will remain fragile. The logic of Europe as an “ever moving” entity is about to exhaust its potential, both internally (the reason we need a basic Treaty) and externally (the reason we need final borders).

This is why the enlargement process must be rethought: it reaches its limit with the inclusion of the Balkans and, in a longer term perspective, Turkey.

Once this is settled, consolidation is the next indispensable step. Consolidation implies the very delicate tasks of developing functioning and mutually advantageous relations with Ukraine, the rest of the former Soviet space, and of course the Northern Mediterranean. No modest task, as anyone can see. And certainly the need to think of neighbourhood policy in terms of a much more effective “all but institutions” policy.

Let me add one final remark on Russia. The EU should make a much more concrete effort to devise a common strategy towards Russia. The task has become daunting after enlargement and given current strains – both with Moscow and within the Union over the relationship with Moscow. I am aware of the acute sensitivities of some of the new Member States, but nevertheless we absolutely need to define a common strategy, as part of a more concerted effort vis-à-vis what we could call Europe’s East. Russia is an essential strategic Partner for Europe and a crucial interlocutor for energy security reasons. Russia’s position will influence our ability to find a solution to the Kosovo final status issue and to the nuclear crisis with Iran. Either we reach a common understanding on how to deal with Russia, including its path of assertive nationalism, or Russia will constantly try to play bilateral and divisive cards vis-à-vis the European states.

### **Going global**

A stronger regional actor but with a global outreach. Here is the third ingredient of a new pact: Europe has to go global, becoming a player in an increasingly multi-polar world. There is an objective tension, it is true, between our legacy – regional - and our ambition - global. For 50 years, the challenges facing Europe were national and continental – in fact, as a consequence even the NATO alliance was based on a Transatlantic deal centred on Europe itself. Now, a qualitative change is necessary, as the EU needs to become a global actor in order to preserve its own regional achievements.

In a recent pamphlet by the London based “Policy Network”, Peter Mandelson writes of a danger in our ongoing debate over the evolution of the EU’s international projection, based on two excesses.

On the one hand Mandelson finds “the hyperglobalists”, who ...believe that regional groupings like the EU are irrelevant in a global age, and a protectionist obstacle to economic progress. Hyperglobalists often argue that geography no longer matters. Nothing could be more wrong.

On the other hand, at the other extreme, we have the “neo-nationalists”, with a defensive view: protectionism as an answer to our fears and anxieties about change. It is no wonder that defensive nationalists are against enlargement as well as necessary internal reforms.

Mandelson’s conclusion, which I share, is that while protectionism promises the false security of a world without change, “hyper-globalism” sees globalization as an irresistible economic force, denying our political ability to shape this change.

In my view, these observations reflect a genuine dilemma. The basis of a new pro-Europe

consensus must be found in developing a positive politics of globalization, that admits the benefits of change while acting to mitigate its costs. Individual and social protection does not mean protectionism; neither does it imply a loss of competitiveness when combined with internal reforms.

Part of the rationale for a stronger and more cohesive Europe on the global stage is clearly economic. Current trends are encouraging: growth has started again, driven by the German recovery. Yet, long-term trends illustrate our predicament. For instance, the combined GDP of Italy, France and Germany (according to reliable estimates projecting current trends) will amount to little more than 6% of global GDP in 25 years – approximately the weight of Germany alone 20 years ago. Of course, this does not mean necessarily – and almost certainly will not mean – a decline in our absolute living standards, but it will have implications for our relative power in the world, i.e. for the influence we'll be able to exercise. Mostly, this is a consequence of the rise of East Asia and more recently India, but others will follow as globalization's effects become more widespread.

According to another estimate, by the year 2030 no single European country, with the possible exception of Germany, will have the numbers to justify a national seat at the G7 table.

In the face of processes of such magnitude in the world economy, it is plainly silly to regard the EU as the source of our problems – even worse to use it as a scapegoat. This syndrome reminds me of a statement attributed to Paul-Henri Spaak:

“There is no such thing as ‘big’ and ‘small’ countries in Europe. We are all small – some, however, have not realised it yet”. We thus return to the imperative of cohesion for the sake of common interests.

We do not wish to create a new, traditional superpower: “Euro-nationalism” is not the way ahead. As global actor, Europe should project its values and security interests by practising and actively promoting multilateralism as the key to a better global governance. But this implies that the EU is ready fully to do its part, not only with economic but with security instruments.

In the XXI Century, comprehensive security means fight against terrorism, conflict management, nuclear proliferation's control – as much as poverty reduction, energy security and climate change. Such a wider security agenda requires much more resources: therefore, the need for deeper coordination and economies of scale.

No vision of a European global role is complete without a reference to the Transatlantic relationship. The link to the United States (and Canada, let me add) is an integral part of our history and should now be part of our vision for the future.

The lesson, in this case, is very clear: there cannot be any European unity built against the US, for the simple reason that this kind of choice divides first and foremost the Europeans among themselves. And when they differ among themselves and on their relationship with the United States, they forego any actual capacity to exert influence. Suffice it to recall the case of Iraq: neither band-wagoning, British-style, nor opposition, French-style, has truly affected the events of 2003 to the extent that, I believe, a common European position would have. A stronger and more united EU would also give the benefit of a more balanced view of the relationship with the US.

If I were to summarize some of the steps for an effective “global Europe” I would identify five items:

Unify the European representations within the IMF and World Bank.

Use the national seats on the UN Security Council in ways that maximize the aggregate weight of the EU. This means systematically aligning national positions according to previously agreed common decisions taken at the EU level. Let me reiterate Italy's commitment to do just that as it holds a national seat in the Security Council for the period 2007-2008.

Develop – and when necessary employ – European battle-groups as specialized standing units at

the disposal of the UN, while continuing to work toward closer forms of cooperation between the EU and NATO.

Develop and implement a truly common European policy in the field of energy and climate change. A common energy policy is badly needed when dealing with powerful producers and tight markets. Strengthen the Euro-American relationship through the creation of a common economic space while also developing (or rethinking and clarifying) common European strategies toward major actor such Russia, China, India, Brazil.

### **Britain in Europe**

I would like to conclude with a few words on the distinctive role of the United Kingdom. It is a widespread notion that European efforts in foreign and defence policy cannot truly succeed without the UK being fully on board. I can only agree with such assessment. But beyond this, it is the vitality and openness of British economy and society that we need as a unique contribution to Europe.

As Tony Blair said in a recent interview, there may be many euro-sceptics in Britain, but very few of them really wish the UK to simply leave the Union. Therefore, rational arguments can be made for the UK to actively promote its own vision of Europe rather than just oppose the vision of other countries.

The role of the UK is key because, on a more general level, I believe that a political informal core is indispensable to a well functioning Europe: the Franco-German engine has been such a force for decades, but now needs to be broadened in light of challenges that differ significantly from those of the past. Italy views itself as active protagonists of this transformation of the European setup.

From the Foreign Minister of Italy you have to expect, as way of conclusion, a statement of confidence in the EU institutions. I will not disappoint you, but I will do this in the spirit of my opening remarks today: the EU institutions are there to be owned by the European citizens, to serve their shared interests and pursue their collective values and goals in a timing of global transformation. The national governments are, when cooperating with each other, one of the European institutions. We need them, we need stronger national leadership acting as European ones – that is pooling sovereignty for the sake of the common interest. And we need a stronger EU, based on what I called a new pact which can deserve the active support of the people. Short of that, Europe will have been our past success - not our instrument of choice to shape the future.