

**Speech by Prime Minister of The Netherlands Jan Peter Balkenende to the European Parliament, Strasbourg, 23 May 2007**

President Pötering, esteemed members of the European Parliament, ladies and gentlemen,

Thank you for your invitation to participate in the debate on the future of Europe. I would also like to express my thanks to President Pötering for his very productive visit to the Netherlands on 12 April.

It's good to be here again. I have positive memories of meeting with you during the Dutch Presidency in 2004. At the time we engaged in stimulating discussions, which have served as a great source of inspiration for me.

Today I stand before you in another capacity: as the representative of a member state – the Netherlands, a pro-European country. A country where popular support for European partnership has always been above average and remains so to this day. (In late 2006, for example, 75% of Dutch people backed EU membership.) A country with an open economy which owes a great deal of its prosperity and healthy job market to the opportunities created by the internal market. A country that wants to play an active role in the world, as witness Dutch involvement in reconstruction missions in Afghanistan and elsewhere. This aspiration can only be achieved through cooperation.

But the Netherlands is also one of the two member states where a clear majority of voters rejected the Constitutional Treaty in 2005.

I know that a large majority of the European Parliament was in favour of the Treaty, and I respect that. But whatever our positions, now we need to join together and find a way forward. We must come up with a mutually acceptable solution that does justice to the concerns that emerged following the Dutch and French referenda. Obviously these concerns are not confined to France or the Netherlands. They can also be found in countries that have already ratified the treaty and countries that have yet to make a decision.

I am certain that together we can build the necessary bridges. After all, this Union rests on a solid foundation of shared values and shared interests, and ultimately our visions of the future are more alike than different.

*My vision of Europe's future is rooted in a deep appreciation for the exceptional success of the European project. We have every reason to be proud of what we have accomplished.*

A continent that had been ravaged by devastating wars and deep social inequality is now blessed with a model of teamwork and integration that is unrivalled in the world. A model of balance: between economic dynamism and social harmony, and between unity and diversity. The European decision-making model does justice to the equality of the member states and their citizens.

Europe is a respected player on the international stage. An example to the world. Our unique partnership is a source of inspiration. The same can be said of our emphasis on solidarity and our ability to reconcile different viewpoints. We are united by values and dialogue, having relegated conflict to the dustbin of history.

Europe has undergone a process of renewal, and the result is the European Union. In the sweep of world history, 50 years is a short time. Though a relatively recent construction, the EU is a mature political institution, with a great future ahead. As we gradually build on our successes and rise to new challenges, we must remain ever mindful of the expectations of the European people.

One of the main objectives of the new Dutch government is to firm up popular support for the European partnership. To do that, it is essential to understand why nearly 62% of the Dutch electorate voted 'no' to the Constitutional Treaty, and to find the proper response.

At this point I would like to say a few words about the history behind the 'no vote'. After that I will outline the Dutch position in the negotiations for a new Treaty. Much has changed in the 50 years between the Treaty of Rome and the Berlin Declaration. The Union is not only many times larger than the European Community of 1957, it also has a much wider range of responsibilities. Enlargement has been a historic success. It was the right choice. But after the latest round we have to realise that the public needs time to get used to the EU in its new

form. Things have changed quickly. Too quickly for some people's tastes. We must allow time for a sense of solidarity to grow.

In the past fifteen years the Union has expanded not only in size, but also in scope. The completion of the internal market, the opening of borders, the introduction of the euro, the many new policies in key areas like the environment, security and law – all these things have been positive developments. Yet they also represent new realities which have yet to win the full acceptance of the European people. Many of our citizens, for example, do not understand why European legislation pervades so many aspects of daily life.

And just as the public was beginning to come to grips with the enlargement and the broadened scope, we decided to ask their opinion about the Constitution. The question, 'Are you in favour of the Constitution for Europe?', was taken to mean, 'Do you want the EU to assume the character of a state?', or even, 'Should Europe eventually take the place of the national government?'

This was obviously a bridge too far.

The word 'constitution' means different things to different member states. For some it is a symbol of democracy, a restriction on authority. And this is true, of course. But elsewhere – and certainly this applies to the Netherlands – 'constitution' carries with it a very different connotation. The concept of a constitution is associated with a nation-state. A constitution says something about national identity. This is why the Netherlands is so insistent that the new Treaty not be called a constitution.

Constitutional symbolism was a contributing factor to the Dutch 'no vote'. People felt they were losing control, surrendering their identity. People want a government that is both recognisable and responsive. They believe that there are limits to what the EU should do. At the same time they want control over those things we have to accomplish jointly.

Of course, there were other reasons for voters to reject the Treaty. Some believed that Europe was making too many rules or doing things best left to the member states. Others accused Brussels of a lack of transparency. Concerns about the Dutch financial contribution was another important factor. Compounding the problem was the fact that people had no real sense of the specific benefits of the European partnership.

Some of these issues can be resolved by a new Treaty. Others, some of them quite widespread, must be taken into account in our day-to-day policy decisions. We have made a good start on this in the last two years. Subsidiarity and the regulatory burden are at the top of the agenda, in Brussels and elsewhere on the continent. The system has become more transparent. There is a budget, which gives us the resources to do what we have to do until 2013. And we are setting the right policy priorities, like climate change and energy policy.

Credit for these changes goes to this Parliament, to President Barroso of the European Commission and the successive presidents of the European Council: Tony Blair, Wolfgang Schäussel, Matti Vanhanen and now Angela Merkel. They demonstrate that the EU is willing to give priority to the concerns of its citizens.

Before I move on to discuss the Dutch position on the new treaty, I would like to make something clear. A referendum was held in four member states. Two came out in favour of the constitution, two against. A total of 18 member states have voted in favour of the Constitutional Treaty through their own democratic procedures. There was broad support for the Treaty in this parliament. We cannot overlook this fact, nor would we want to. But I hope that we will be able to concentrate on what we share, the similarities rather than the differences.

The Dutch government wants to pursue a mutually acceptable solution in an atmosphere of constructive cooperation. Europe's future depends on this. The issues of interest to the Netherlands are those tied to the popular concerns that have come to light in the past two years. No more and no less. This is necessary for securing enough support to ratify the new treaty.

In that light, if we momentarily set aside the specific wishes of the various institutions and member states, I think we can agree that the new Treaty should embody two overarching, shared ambitions:

1. In the first place, we want an EU that operates more democratically.
2. Secondly, we want an EU that can take decisions and act on them.

Europe's challenge has always been to organise its institutions in such a way that attention is given to both objectives, which can sometimes be contradictory. The institutional balance that the Convention and the previous IGC worked to secure offers improvements, to the

Union's democratic character as well as its effectiveness. The Netherlands would like to preserve those improvements, provided that any agreement on those points is accompanied by a credible approach to the concerns of the public.

Let me sketch out four points that we believe will facilitate a mutually agreeable solution.

### **1. Continuing the successful method of Treaty change: making Europe better step by step in a balanced way**

A moment ago I explained that the symbolism associated with a constitution played an important role in the Dutch *nee*. This is why the Netherlands is in favour of a more traditional document, in the same vein as the Treaties of Amsterdam or Nice. We need to continue with the Monnet method: moving ahead via small, but significant increments. This approach throws a spotlight on the improvements, the democratic safeguards and the increased effectiveness. This in turn will stimulate debate and allow us to emerge from the shadow of the rejected Constitution. In other words, we must reconsider not only the document's name and form but also its substance.

### **2. A more robust subsidiarity test, with an important role for national parliaments**

This brings me to my second point. The Netherlands is committed to making the Union a more democratic institution. One of the lessons we learned from the referendum is that the Dutch people want to be sure that they have a role in the decision-making process. They want their voice to be heard in Europe. The institutional proposals made in the Constitutional Treaty (e.g. the provision giving the European Parliament powers of codecision in matters that the Council decides by majority vote) are a step in the right direction. But there is still room for improvement.

National parliaments must play a more integral part in assessing whether proposed EU legislation conforms to the subsidiarity principle. If a majority of national parliaments are opposed to a given proposal, there must be consequences. Greater involvement on the part of national parliaments will not come at the expense of the European Parliament. This assessment will be made in the very first stage of the decision-making process. A national parliament is the ideal body for evaluating subsidiarity. The European Parliament will retain its full role in the codecision procedure, and there will be no infringement of the

Commission's right of initiative. As President Pöttering recently said to me, the European Parliament and the national parliaments complement one another, as democratic partners.

### **3. Effectiveness requires qualified majority voting, but with clear limits**

We need a Europe that is not only more democratic but also more effective. Climate change, energy policy, counterterrorism and migration call for a vigorous joint approach. The Constitutional Treaty provides for significant improvements, with more qualified majority voting. Yet at the same time we must recognise that countries are afraid to relinquish their vetoes, afraid that the EU will extend its competences by stealth. On this point we must be clear. The Union can become more effective only if it has public support. Wherever necessary, we must be willing to make the transition to qualified majority voting. And I am prepared to defend decisions made on that basis. But only if this transfer of sovereignty is a conscious choice, protected by adequate guarantees. There must be clear limits to the EU's powers. Only then can we allay the anxiety surrounding issues of sovereignty. The Netherlands intends to put forward specific proposals on this point.

A related matter that has also received considerable attention in the European Parliament is the relationship between the internal market, on the one hand, and the member states' latitude in organising their public services, on the other. It should be possible to define this relationship with great clarity, without adversely affecting the internal market. I am in favour of a strong internal market, as it profits citizens of all member states. But with respect to pension systems, social security and education, the member states want to tailor their policies to the national situation. And Europe must offer them the scope to do so. One way of doing this would be to set a number of criteria for services of general interest.

### **4. Incorporating enlargement criteria in the Treaty**

Fourthly and finally, I believe that enlargement criteria should be included in the new Treaty. We had the collective wisdom to enlarge the Union. I fully support that decision. But no one can deny that many also have their doubts about the enlargement. In the Netherlands there is a perception that the Union does not take its own rules seriously. The criteria are in place, but some would say they are not strictly applied. This erodes public support for the EU. These criteria should therefore be included in the new Treaty.

Ladies and gentlemen,

Europe has come a long way in 50 years. Expectations are high. Together we can set a good example in tackling climate change, poverty and security issues. Together we can capitalise on Europe's economic potential in an ever more integrated global economy. Together we must work to secure a reliable supply of energy and raw materials. Together we must alleviate the degradation that can accompany illegal migration. All these things require a strong and effective European Union. A Union that has the trust of its people.

I will vigorously defend a treaty that contains the four elements I just discussed, because I believe the time is ripe, because I have great confidence in the Presidency of Angela Merkel and her successor, José Socrates, and because I believe we are ready to take the next step together. But above all because that Treaty is necessary to confront the challenges of our time together.

I recently had occasion to reread Robert Schuman's visionary declaration of 9 May 1950, and I was struck by its wisdom and accuracy. In it he said, 'Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.'

I think that Schuman's words are as true today as ever. They can still serve to guide us as we strive to fulfil our shared mission of building on the European dream.

Thank you.