

Europe after the crisis: What future for the Union?

speech by

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To take the floor today in Berlin has a very special meaning for me.

Let me explain why: Spanish children know by heart some lines in a poem by Antonio Machado, where he depicts his childhood as 'memories of a patio in Seville and a sunny orchard with a ripening lemon tree'. My childhood memories are also from Spain, but from somewhere else. To paraphrase Machado, I could describe my childhood as memories of the German School playground in Madrid. The fourteen years that I spent there brought me happiness, a fruitful education, and love towards Germany, her people, her language and her culture.

Now you may understand just how moved I am to have the honour of standing here and sharing with you a few of my thoughts on the state of play of Europe.

But I am deeply touched for yet another reason: our host institution. It is an honour for me to be speaking at the prestigious Humboldt-Universität, which bears the names of two great German thinkers and is the alma mater of many of the fathers of European thought. I am, therefore, grateful to Professor Doctor Pernice and Ambassador García-Berdoy, who conspired into bringing me before you today.

Exactly fifteen years ago, Joschka Fischer, the then German Minister for Foreign Affairs, delivered a much-commented speech at this very University. I am going to use his words of that day as a starting point for assessing what became of those proposals, as well as the course that Europe ended up taking. Thus will we be in a position to extract some useful lessons as guidance for our present and orientation for our future.

As Mr Fischer asserted back then, I am just speaking on my own behalf, so everything that I say here today can only be attributed to me. My opinions are endorsed by my roughly twenty years of experience as a member of the European Parliament, and the three years that I have served as the Secretary of State for the European Union at the Spanish Government.

Let us go back fifteen years and consider the Europe of Joschka Fischer when he made his speech. Back then, we had:

- the era of globalization in full swing.
- the adoption of the euro and the ensuing disappearance of old national currencies.
- the most ambitious enlargement in EU history looming on the horizon. Let me remind you: those twelve countries accounted not only for a third of the EU population at that time and for a third of its territory, but also for a third of its income.
- the implementation of the Lisbon Strategy, which aimed for the EU to become, and I quote, 'the most competitive and dynamic knowledge-based economy in the world'.

This scenario was completed by:

- a GDP growth of approximately 4%.
- clear progress in the integration of justice and home affairs following the Tampere European Council.
- budding more structured cooperation in the fields of foreign and security policy.

In view of this climate of growth and expansion, Mr Fischer advocated taking a quantum leap forward. In his own words, 'the transition from a union of states to full parliamentarization'.

This would mean, he continued, the 'division of sovereignty between the Union and the nation-states'. To put both of these proposals into place, Mr Fischer argued that a European constitution should be drawn up, focusing on strengthening the democratic structures of the Union and the division of powers between the Union and its Member States on the one hand, and between the different European institutions on the other. The passing of this constitution, Mr Fischer contended, would represent one more step in a process that should

end, and I quote him again, in 'the completion of integration in a European Federation', thus completing the circle that Robert Schuman sketched out and initiated fifty years earlier.

What happened for the promising outlook that Mr Fischer glimpsed not to come to fruition? Spanish philosopher Ortega y Gasset would answer this by stating 'I am myself and my circumstances'. Well, the circumstances changed:

- the Lisbon Strategy culminated in unmitigated failure, as evidenced in Wim Kok's report.
- enlargement, though in itself one of the Union's greatest achievements, turned out to be hard to digest, and brought to the ill-prepared institutions what Alain Lamassoure referred to as 'the revolution of numbers'.
- the euro felt the onslaught of a severe crisis coming from across the Atlantic. From 2008 onwards we suffered the consequences of not having developed the economic pillar of the Maastricht Treaty.
- financial instability spread to the national public accounts, with a major credit crunch and shrinking economic activity. This led to rising unemployment and social tensions.

As a result of all of these factors, the European constitution, which resulted from a Convention spanning 2002 and 2003, did not see the light of day until late 2009, and only after a turbulent process of national ratifications.

And, even so, it only came into being:

- in the shape of yet another Treaty (the Treaty of Lisbon), a far cry from the Convention's desire for clarity and transparency.
- stripped of its constitutional nature.
- deprived of some of its most symbolic features.
- utterly different from the Founding Pact for a New Europe that should have topped the enlargement process.

Fifteen years after Mr Fischer's speech on Europe here at Humboldt University, is our old continent in good health?

I mentioned earlier the most acute financial crisis in our history: the euro crisis. Solving this crisis has captured all the attention of the European institutions over the last five years, requiring:

- far-reaching financial regulations (six-pack, two-pack, Fiscal Compact, revision of the Lisbon Treaty, banking union).
- specific measures in certain Member States (financial programmes, the opening of credit lines).
- pioneering initiatives from the European Central Bank.
- a decisive political stance on the part of the European Council, in which the role played by its President, Herman Van Rompuy, was of paramount importance.

As Sir Winston Churchill, an early Europeanist himself, would say, with 'blood, toil, tears and sweat' we managed to save, first, and then consolidate the euro.

However, the coordinated action that the European governments took in order to return to economic convergence, which remains the basis for our single currency, has aroused a wave of euroscepticism, particularly in the countries of southern Europe hardest hit by the crisis.

This crisis-driven euroscepticism has, paradoxically enough, come hand-in-hand with another phenomenon: popular demand for participation in political decision-making. Historically, European decisions were of interest only to the initiated few; while 80% of the EU budget was spent on the Common Agricultural Policy, there was little enthusiasm for debating, let us say, the price of beetroot. All of this changed when the Berlin Wall came down and Politics with a capital 'P' emerged onto the European agenda. To this must be added the technological revolution that has taken place over the last decade, which allows everyone to access huge amounts of information about European issues and make their own opinions. We have gone from 'I am not interested' to 'I demand to be heard and take part'.

This phenomenon, which is affecting representative democracy at the domestic level, is also demanding explanations from European democracy. At the same time, it adds to a dilemma that has remained unresolved since the foundations of Europe were laid, a dilemma that is actually the result of the differing political views on how to answer the question, 'WHAT IS EUROPE ACTUALLY FOR?'

In response to this query, some defend the idea of Europe as a 'supermarket', a superstore where what really matters is to have the largest number of products available, the fewest rules, and the best prices.

This concept is opposed by those who defend the notion of Europe as a 'protector'. This is a more supportive and paternalistic Europe, a source of grants and subsidies, or the solution for external competition or dumping practices.

These two different notions co-exist within the same geographical space, giving rise to phenomena such as the European constitution being rejected in France for being 'too liberal' and criticized in the United Kingdom for being 'too social'.

The fact that both of these notions still endure in the same European realm forces those who accuse the Union of encroaching upon domains exclusive to Member States to co-exist with those who reproach it for not acting resolutely enough.

We must, therefore, educate our citizens, explain to them what things the Union can do and what other things are beyond its reach. Governments, too, should use their statements as a teaching opportunity. It is, unfortunately, an all-too-frequent occurrence to see governments blame the EU for the bad news while taking credit for the good news, even though they took part in the European decision-making process in both cases. How can we expect Europeans not to be disenchanted with the Union if their governments do not cease to criticize its decisions time and again? And I include myself among the guilty: we, politicians, tend to highlight what we do not like rather than appraise what we have achieved; to use a hunting analogy, 'once the catch is in the bag, we forget about it'.

There is one last feature of European politics to which we should give some thought: after reaching a goal, we do not bother to get the most out of what we have achieved, to squeeze out every last drop of opportunity, or to explain it to the wider public. Instead, we immediately start chasing after a new ambition.

In light of everything I have just set forth, we could describe today's Europe as a patient who just beat a long, extremely serious illness and is no longer in critical condition, but who is still weak and disoriented, distrusts the doctors and cannot find the way to a full recovery.

How can we help Europe to recover her health and self-confidence?

Firstly, we have to be positive. Some of the symptoms of Europe give us cause for optimism:

1. The euro crisis is behind us, which is excellent news because the single currency is a key political element of the European project.

2. Institutional stability has been achieved following the European elections of 2014:

- For the first time since 1979, there was virtually no drop in voter turnout.
- The polls failed when they predicted landslide results for Europhobe/Eurosceptic/populist parties —forces skilled in destroying but incapable of building.
- A grand coalition of pro-Europe forces (Christian Democrats, Socialists and Liberals) has been agreed at the European Parliament.
- The College of Commissioners has been appointed in full accordance with the established procedure.
- Also in accordance with the established procedure, Donald Tusk has been elected as the new President of the European Council. On top of his indisputable personal merits, the appointment of the former Polish Prime Minister has remarkable symbolic significance: twenty-five years after the fall of communism, a citizen of the 'kidnapped Europe', as expressed by Milan Kundera, is 'stitching the two Europes together', as Mr. Tusk's fellow Pole and dear friend, Bronislaw Geremek, used to say.

3. The role of the European Commission has been strengthened:

- As the candidate topping the list of the European party which obtained the most votes, Jean-Claude Juncker was indirectly elected President of the Commission by the European citizens, thereby fulfilling Article 17 of the Treaty on European Union. In fact, José María Gil-Robles, Elmar Brok, and I had a part to play in the re-wording of this article operated by the Treaty of Lisbon.
- The College of Commissioners also embodies the idea of a grand coalition, with special status afforded to the First Vice-Presidency. This post is currently being held by Frans Timmermans, whom President Juncker has defined as his 'alter ego'.
- The Commission is linked to the European Council through the five points of the so-called 'European Strategic Agenda' approved in June 2014.

Indeed, we have established that our patient is on the mend. However, her illness is still to be diagnosed —a previous, essential step for any medication to have an effect.

In this century of globalization, interdependence, the communications revolution and the digital world, size matters. This is a well-known fact in the European Union; Paul-Henri Spaak acknowledged it over fifty years ago when he asserted that “in Europe, there are no big or small countries; they are all small. But some of them have not realised it yet” . With all the more reason now than then, the critical mass that only the European Union can provide is essential if we are to have our own, respected voice in the Concert of Nations.

And why is it necessary to have a respected voice in the world? Because, surrounded as we are by emerging powers, re-emerging powers and new actors, Europe cannot afford not to sit at the table where the new rules of world governance are drawn up. And the reason for this is that we believe the ‘European way of life’ to be the most appropriate political, social and economic model to uphold peace, democracy, human rights and fundamental freedoms, free market, economic, social and territorial cohesion and solidarity.

At this point, allow me to digress. I sometimes hear it said that the principles that inspired the ideas about Europe in the 1950s are no longer relevant today. I could not disagree more.

True: these tenets stem from Greek philosophy, from the contribution of ancient Rome—that ‘vast system of incorporation’, as Theodor Mommsen called it; from Christian thought, and from the ideas of the Enlightenment. But the fact that these are age-old, venerable cultures and movements does not make their principles any less relevant to our times.

Or isn’t peace still one of our highest values? Just ask the Ukrainians.

And, still under the shock caused by the recent attacks in Paris, isn’t defending freedom of speech, in conjunction with human dignity, still worth something? Of course it is, and this is precisely what is enshrined in Article 1 of the Charter of Fundamental Rights of the European Union.

Isn’t it still necessary to join forces against those who seek to impose their ideas, beliefs or identities by force?

Shouldn’t we build the strongest possible bastion to face those who want to eradicate our democracies by means of terror?

Along with these old challenges of the past, the 21st century pounds on our door with new knockers, leaves new challenges on our doorstep, to which we will

also have to respond. I am thinking of those arising from climate change, from demographic decline, from the digital revolution, from poverty and social exclusion, from new pandemics and from all those other issues that surface when we least expect it.

If our diagnosis is correct, that is to say, if the euro crisis is truly behind us and now we just need to get our confidence back, bolster growth and focus on adding value to European policies, then what medicine should we prescribe, and what should the dosage be?

The entire arsenal provided by the Lisbon Treaty is available. It entered into force back in December 2009. Five years, now! The process was not quick: let us not forget that the seed was planted with the Amsterdam Treaty of 1997, and that its development passed through the milestones of the Treaty of Nice of 2001 and the project of the Constitutional Treaty of 2005. *Thirteen years*, ladies and gentlemen.

If my fairy godmother granted me the wish of making just one change to the Treaty of Lisbon, this would be it: to do away with the unanimity required for treaty revisions and their entry into force. My fairy godmother would find it easy to grant it, and she wouldn't even have to use her fairy dust: the change would be debated and approved at an intergovernmental conference lasting only a few hours, and ratified immediately. But, in the words of the classical Spanish dramatist Calderón de la Barca, a well-known figure in Germany, 'dreams are only dreams'.

That is why, in the harsh light of reality, I think it neither possible nor desirable to embark upon a revision of the Treaties. I will give you two reasons for this. Firstly, success depends on reaching basic consensus on the scope of the intended reform, and, as of today, this consensus is nonexistent. On top of this, the ordinary revision procedure set forth in the Treaty requires a Convention to be convened, something that, as we saw with Lisbon, takes time. For both reasons, I would rule out this option.

If a revision is not the right medicine, we have only one option left: to use the existing provisions. Secondary law does indeed have many applications, but it must be used at the right dosage.

Historically, the European Union had to legislate copiously to reach certain goals. That was the case in the 1980s and early 1990s, when 393 Directives were needed to complete the Internal Market. And, as I have just explained, we have recently seen a frenzy of lawmaking activity in the drive to give the euro its credibility back.

The construction of Europe has also been compared, as I heard from Jacques Delors and Michel Rocard, to riding a bicycle: you cannot stop pedalling, that is, lawmaking, unless you want to fall. Although I have also read Ralf Dahrendorf's riposte to this analogy: 'when I used to cycle in Oxford, and stopped pedalling, I simply put my feet on the ground and did not fall'. I think you understand what I mean.

I think the time has come to dose out the medicine. It is, therefore, essential that we set the priorities on which to focus our work. Two texts I think would be useful for defining today's priorities are the five-point Strategic Agenda approved by the European Council in June 2014 and the ten proposals put forward by Juncker in his inaugural speech.

Allow me to give you my view. There are four major issues to which the Union should pay special attention during this legislative term:

1. The Europe of growth, job creation and social welfare. The Juncker plan, with its planned investment of 315 billion euros, and structural reforms at both domestic and European level are two key elements to obtain results.
2. The Energy Union, an oft-delayed project that is now of the utmost urgency as a result of the Ukraine crisis and its impact on relations with Russia.
3. All issues linked to the security and freedom of our citizens, which are two sides of the same coin:
 - common policies are required in the area of immigration, with the recent events in the Mediterranean providing a dramatic example;
 - cooperation is also necessary to combat the new forms of terrorism. Here, we, Spaniards, can offer our experience of bringing an end to ETA terrorism, where European solidarity was a key component for the triumph of democracy.
4. Consolidating and strengthening the common foreign and security policy. I hear so many people reproach the European Union for its inability to speak out on international affairs with one voice... I think, however, that things have to be taken into perspective: in 1984, the then ten EEC Member States failed to issue a joint condemnation when two Soviet MIGs shot down a Korean Airlines plane, causing 400 deaths; and in the 1990s the EU witnessed the devastating war

in the former Yugoslavia. The situation today is very different: we have launched a European External Action Service, our diplomacy has become more effective and we have managed to maintain unity of action, never an easy task, in Mali, Ukraine and the Middle East.

Ladies and Gentlemen:

Fifteen years ago, Mr Fischer ended his speech with some musings about the future design of Europe. He recalled Hans Dietrich Genscher's tenet that 'no Member State can be forced to go farther than it is able or willing to go; but those who do not want to go any farther cannot prevent others from doing so'.

He then went on to analyze the different proposals on the table, among which Delors's Federation of nation-states or the Lamers-Schäuble idea of a 'core Europe'.

For Mr. Fischer, the key element lay in finding what he termed the "centre of gravity that would allow us to progress towards full integration".

Fifteen years on, the future design of Europe continues to be a topical issue. Yearning for certainty about the future is probably a trait common to all human beings. But it is not easy to give a decisive answer. Allow me to share some guidelines with a view to preventing this reasoning from slipping into the 'Doris Day Doctrine' —remember her hit 'Qué Será, Será'?—

- 1- I do not believe anyone who blindly posits that the integration process is irreversible. Quite the opposite: I think that any progress in that direction must be legitimized through citizens' involvement. The European construction can no longer be compared to a train that passengers board uninterested about its destination. Today, they insist on knowing the price, the route and the comparative advantages over other means of transport. That is why we have to fine-tune our arguments if we want our passengers to take a seat and embark on the journey towards deeper integration.
- 2- I believe that the centre of gravity of deeper integration will be the euro area. Valéry Giscard d'Estaing and Helmut Schmidt have expounded a similar position. But when we talk about the euro area, we must bear in mind that there are three groups of countries:

- those that form part of the euro.
- those that do not form part of the euro right now, but aspire to do so in the future.
- those that do not, and do not want to, form part of the euro.

Clearly, the line between the first and second categories is, and must continue to be, very thin, whereas the group of countries that are not, and do not want to be, part of the euro, will end up becoming more and more apart from the other two groups.

- 3- Taking advantage of this centre of gravity, in which domains can further integration take place? In line with what I have expressed already, here goes my answer: in those areas where the citizens agree to greater advances. This being said, I think that the report by the so-called 'four Presidents' (those of the European Council, the Commission, the Eurogroup, and the European Central Bank) on a genuine EMU, published on 12 October 2012, contains a number of avenues that are worth exploring; from among them, I would single out the realms of fiscal integration and political union, which the document cautiously dubs 'democratic legitimacy and accountability'.
- 4- If the euro area countries decided to deepen integration, and the others decided not to follow their path, we would see the emergence of two spaces, of two concentric circles: the first, a more integrated circle, would be the United States of Europe (the term used in the External Action Strategy of Spain); and the present European Union would continue to form the second, less integrated circle.
- 5- Should this happen, we would have opened a way for the solution to the 'British question': by guaranteeing the United Kingdom the ability to opt out of further integration, the announced referendum would lose all meaning. The threat of a 'Brexit' would then transform into the certainty of a 'Britstay'! And there is always the possibility of the UK reconsidering its position, because the door will stay open to anyone who wants to join in. Nothing would make me happier than to see history repeat itself: remember how the United Kingdom turned down the chance to become one of the founding states of the Communities in 1957... only to apply for membership later on. Heinrich Heine was once asked in what country he would like to die. 'In England,' he replied without hesitation, 'because there everything happens one hundred years later'. A great lesson from a great German Romantic poet, who, incidentally, studied right here at this University.

Let me conclude. I believe it is our duty to give this somewhat downcast Europe a boost, to give it, to use a hard-to-translate Spanish word, *'ilusión'*, which means hopefulness, aspiration, and motivation all together.

- As Europeans, we are all encouraged by the need to stick together to make our voice heard on the world stage.
- As Europeans, we are all strengthened by the desire to do things together. Thus will we foster added value for the general progress and welfare of our citizens.
- As Europeans, we are all are driven by the fact of sharing values and principles. These are, indeed, ties that have been weaved over the course of history, and which have made our continent a place worth living in, in freedom, in peace and with dignity.

Should the Union not exist, it would have to be invented!