



An EU “fit for purpose” in the global age - Can we rise to the challenge?

Speech by José Manuel Barroso, President of the European Commission

*A high-level debate organised by
Policy Network and Friends of Europe*

Bibliothèque Solvay, Brussels
17.00 – 19.00 November 4, 2009

Ladies and gentlemen,

Thank you for inviting me today. This report is impressive in its scope and ambition. This does not come as a surprise, since the authors are well known to me. But it is nevertheless rather daunting to have to respond to it in the short time available today! I will not be able to cover every point, but I will try to outline my broad response, and to answer questions afterwards.

I agree with the report's characterisation of the world we're in. There is indeed a trend towards multi-polarity. It has been reinforced by the crisis. And, as you say, it is a world where size matters. The EU gives Member States the continental scale that is needed to be an effective voice in international affairs.

You also say – quite rightly - that our own society will change after the crisis. You argue that a new socio-economic settlement may be necessary. You point out, that while many of the changes will take place at national level, there is a clear need for a strong and credible EU framework, to avoid distortions and increase the effectiveness of national interventions.

And, of course, you are right to highlight the issue of legitimacy. Without this, we will not be able to tackle any of the challenges I have just outlined.

Let me now expand on each of these points.

First, Global Europe. I am very confident about our ability to develop this. Enlargement has already given us additional weight internationally. And now, the conclusion of the ratification process in CZ has cleared the way for the entry into force very soon of the Lisbon Treaty.

The appointment of the High Representative is a major innovation. As a Vice-President of the Commission, he or she will be able to link EU foreign policy to other EU external policies, such as enlargement, development aid and trade.

So too is the creation of the External Action Service. This will be a truly top-class service, bringing together resources from the Commission, the Council Secretariat and the Member States.

Of course, a Treaty does not solve everything. Europe also needs political will. I sense a real willingness now to open a new era for global Europe. I think that Europeans increasingly understand that, if we are to have the life we want here in Europe, we have to be able to shape the world around us.

Your report highlights the full range of our relationships. However, since I have just returned from the EU-US Summit in Washington, I would like to focus on the transatlantic partnership. And in a way this relationship tells us a lot about how far Europe has come as a global actor.

The current administration has been very explicit about the fact that America cannot tackle global challenges, like Iran, Afghanistan, climate change or the financial crisis, on its own. It looks to Europe, as one of its key global partners, to help it tackle those challenges. It is vital that we now strengthen our relationship still further, and make it even more outward looking.

Before I finish on foreign policy, let me say a brief word about the EU-India Summit which I will be attending tomorrow in New Delhi. With all the talk about China's rise, it is easy to forget how important India is as a global player. And this too is a flourishing relationship. Current efforts are focused on negotiations for a trade and investment agreement and the implementation of our joint work programme on climate change. I am optimistic that we will make progress on both fronts at the summit.

Turning now to the part of your report where you discuss the possibility of a new socio-economic settlement in Europe, there are three points that I would like to be very clear about.

The first is that, under my leadership, the Commission will remain a robust defender of the Single Market. I have said many times that, in the banking sector, for instance, we will ensure that the necessary process of restructuring is carried out in a way that does

not undermine the level playing field. And we will defend the Single Market across all sectors.

Indeed, I am determined to give the Single Market an extra boost, so that it can withstand the threat of economic nationalism and fulfil its potential. That is why I have recently asked Mario Monti to prepare a report setting out options for its re-launch.

The second point is that, as you say, although people don't want to abandon free market economies, they want markets with rules. I am personally very comfortable with this. I firmly believe that you cannot have a functioning market economy without rules and institutions to underpin it.

So, I am proud of the role that Europe has played as a driving force behind co-operation at global level through the G20. Just as I am proud of our legislative proposals to strengthen financial supervision in Europe.

The third point is the link between social cohesion and the market economy. It is important to realise that wealth creation does not happen within a vacuum; it happens within a society. A society within which every individual is able to achieve their potential.

You are right to highlight the importance of 'social investment' in schools, higher education and so on. At a time when budgets will be under severe pressure, it is vital that governments prioritise this type of spending. We certainly believe that the quality of government expenditure is a key growth factor, and that there may be a case for extending the surveillance under the Stability and Growth Pact to cover this.

There is another important consideration. If our global policy is also based on the promotion of our values, we must adhere to them ourselves. Values, after all, begin at home. And many of the points made in your report flow also from it: the absolute moral imperative of fighting unemployment, particularly among the young; the need to end labour market segregation; and to avoid the potential risks of polarisation between the 'winners' and 'losers' from economic change.

The main responsibility for social policy is at national level. But this does not preclude a 'scoreboard' type approach at EU level, based on objectives, indicators and mutual learning, if there was sufficient support for this.

Finally, I am glad that the report highlights both the need for a shared sense of identity and a 'Europe of results' in order to achieve greater legitimacy. Both are important, and they are not mutually exclusive.

On the question of politicisation, which you address in the report, I would point to the important changes that the Treaty will bring. While the President of the Council will be chosen by the Heads of State and Government, the selection of the President of the Commission will reflect the results of the European elections. This makes sense because that person will have to receive an absolute majority of votes in the European Parliament.

Although the President of the Commission must come from a given political family, he or she must become a cross-party figure. I have said many times that, although I have a political affiliation, like any politician, as President of the Commission, my party is Europe.

And, of course, the Commission itself is made up of representatives of all political families. And I think it is important to stress this. While politicisation is good, only broad political coalitions allow the EU to work in an effective way.

The Lisbon Treaty will also increase the role of the European Parliament. I welcome this. I have stressed my desire to work in close partnership with the Parliament. And I hope that, as it acquires more power, it will assume more responsibility.

And although the European Parliament occupies a central place in European democracy, it does not end there. The Treaty strengthens the role of national parliaments, something which is very much to be welcomed.

Indeed, when you consider that we also have 27 democratically elected governments represented in the Council of Ministers and the European Council, I sometimes think that talk of a democratic deficit is a little exaggerated.

Ladies and gentlemen,

I will end my remarks there, very aware that I have not done justice to this immensely thought provoking report. Again, I congratulate you for its quality.

I look forward to answering your questions.

Thank you.