

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

*President Barroso launches and addresses the EU “fit for purpose” project conclusions at a high-level Brussels symposium, November 2009*

Sensing a fresh and spirited willingness to open a new era for global Europe, José Manuel Barroso delivered a strong statement of intent on the range of challenges identified in Policy Network’s EU “fit for purpose” synthesis report in his keynote address to senior MEP’s, EU officials, advisers and experts at a crucial point in the history of European integration.

Opening proceedings, professor Loukas Tsoukalis, project co-leader, delivered the report’s policy and political recommendations to the Commission president, stressing that the EU will need to be re-justified in order to sustain its relevance and proceeding to identify the key issues at stake:

### **Markets with rules: there must be no return to business as usual**

The economic and financial crisis is very likely to mark a defining period in the process of European integration, it found the EU ill prepared, reminding us of value and fragility of both the internal market and the euro. Consequently, the internal mix of the *acquis* between liberalisation, rules and solidarity needs to be adjusted, with a stronger emphasis on the latter two. Seven pillars should underpin a new socio-economic settlement: (1) Rebuild and strengthen the single market (2) Consolidate the euro-area as a zone of economic security (3) A stronger framework for macroeconomic coordination (4) Move to single EU representation in the economic field (5) New EU wide rules for financial regulation and tax coordination (6) Consistent emphasis on sustainability and low-carbon transition (7) New and more effective forms of solidarity and redistribution to address the twin challenges of demography and globalisation.

### **A divided, ageing and shrinking Europe courts with strategic irrelevance and decline in a world where size matters**

The world is changing around us: multipolarity, the diffusion of power and the decline in the relative weight of individual European countries necessitate that the EU must pursue its



quest for external influence with a renewed vigour. The main challenges are to: collectively defend common interests and values; export the EU model of governance; and stabilise the neighbourhood and assist its development. In this sense, Europe must ask itself serious questions: The US may be ready for a strong and reliable European partner; are we? Relations with Russia are a test of Europe as a power in the making; can we find common ground? Single EU representation at the IMF and the World Bank could serve as a catalyst for reform; can we agree? Energy is the prime example where Europe must make a real difference in the future; will we? Climate change requires a move from rhetoric to action; can we retain our leadership role?

### **The legitimacy deficit needs to be tackled head on**

As the EU expands into new areas under the pressure of both internal and external factors, the big question then is: will Europe's political system be able to deliver? The legitimacy deficit and the wide gap between elite and public perceptions need to be addressed head on. To break this vicious circle of high expectations and a fragile basis of legitimacy, the EU needs to: invest in leadership and a new narrative; develop a shared sense of identity; take output legitimacy seriously; approach differentiated integration in a non ideological way; and facilitate and manage greater politicisation, accepting that European integration has become more political and that there is no way back.

### **President Barroso's address**

Expressing overall agreement with the central tenets of the report, the president of the Commission spoke of his confidence in the ability of the EU to become a more effective voice in international affairs, underpin a functioning market economy with rules and institutions and tackle the legitimacy problem.



Declaring the appointment of the high representative and the creation of the External Action Service as major innovations in Europe's quest for external influence, he went on to maintain that America looks to Europe as a key global partner, reasserting his call for a new "Atlantic Agenda for Globalisation". The focus, he said, should be on: deepening transatlantic economic relations; engaging with emerging powers, such as Russia and China; helping to mould global governance structures; climate change and energy security; defending the open, rules based multi-lateral trading system; and making progress towards achieving the Millennium Development Goals.

In addressing the reports findings on a new socio-economic settlement, he made three points: firstly, the Commission would serve as a robust defender of the Single Market across all sectors. Secondly, he was very comfortable with the "markets with rules" approach and would be pursuing this agenda. And thirdly, he stressed the importance of the link between social cohesion and the market economy, highlighting the significance of "social investment", which was stressed in the report. He said that "it is vital that governments prioritise this type of spending" and that "the main responsibility for social policy is at national level", yet "this

does not preclude a ‘scoreboard’ type approach at EU level, based on objectives, indicators and mutual learning”.

Finally, he embraced the reports focus on legitimacy, emphasising the importance of both the need for a shared sense of identity and a “Europe of results” in order to achieve greater legitimacy. Politicisation, he said, would be aided by the Lisbon Treaty changes, but warned that while politicisation is good, “only broad coalitions allow the EU to work in an effective way”.

## Defining Europe’s value in the next decade

Discussing the report and President Barroso’s remarks, Giles Meritt, secretary general of Friends of Europe, in turn led a lively panel discussion on “defining Europe’s value in the next decade”, with contributions from senior MEPs including, Hannes Swoboda, vice-chairman, S&D, Corien Wortmann-Kool, vice-chairwoman, EPP, Andrew Duff, ALDE/ADLE, and Franziska Brantner, Greens/EFA.

*Published at a crucial moment for EU integration and combining 35 original contributions from leading thinkers and experts in EU politics, the EU “fit for purpose” publications offer detailed analyses and fresh proposals on a wide range of key internal and external challenges which the European Union is confronted with in its quest for relevance and influence in the global age.*



[www.policy-network.net](http://www.policy-network.net)