

# NEWSLETTER No.19

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## ■ Editorial

### The European Union: Which Issues Shall We Move forward with Today?

Europe can't afford to take a pause because Euro-scepticism is settling in the public opinion as well as in various governments.

Indeed, in the context of an accelerated globalization, the EU's specificity has become less perceptible. European citizens are thus, by default, restricted to identify with far away institutions considered as an additional source of obligations and costs.

Therefore, it is tempting to forget about the EU, a troublesome matter – or worse – a boring one. It would be inexcusable to give in to such a temptation.

Today a greater visibility must be given to matters on which all 25 Member States could rapidly consent.

As a contributor to this debate, the Fondation pour l'innovation politique offers a series of proposals in four areas considered of priority.

Its work is available on its website and is related to: a civic approach to the EU re-launch, the budget, taxation policy, and security. The members of its Committee who think about European matters and are a reflection of the European diversity, presented their views related to the above mentioned subjects.

Crossing the opinions received, and reproduced in the present *Newsletter*, reminded us that serious differences remain with regards to issues such as fiscal harmonization or the development of a common defence policy.

Thus, in order to be effective and serve the common interest, the discussion must first concentrate on matters of shared interests and where national positions might converge.

As per the work published in this *Newsletter*, a civic European re-launch as well as a determined effort to take better advantage of the common market constitute two important channels for taking action.

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Research Director

Fondation pour l'innovation politique

# THE EUROPEAN UNION: WHICH ISSUES SHALL WE MOVE FORWARD WITH TODAY?



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## ■ Ana PALACIO

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## ■ Immigration and Competitiveness

We are currently struggling in a wrong way to revive the Constitutional Treaty project, that is, from the top-down and through subjects that the citizens do not understand. Also, before debating on the institutions themselves, we must first define to what purposes they will be used.

To maintain peace on the continent had been Europe’s cause for a long time. And so, initially, Europe wasn’t a debated subject: it was a cause and a vital one. Peace was an absolute imperative, an obvious one to everyone. In order to attain this goal, the citizens agreed on delegating the European integration to trustworthy elite. Times have changed. What the EU needs from now on is a *raison d’être*. Europeans have no longer confidence in the tacit delegation made to institutions in 1957. They are quite wondering for what purposes Europe is needed today. The post-war feeling of “never again” is no longer a motivation. We need to move on to the next level of rationally explain to the citizens how exactly the EU would be beneficial. Again, we need to push forward the European integration, but this energy must come out of the citizens themselves. Thus we should initiate several major debates and keep them going on until they are resolved. Up until now, European policies went through institutionalization without much consideration to what was really at stake. The European citizens are today wondering about three subjects: competitiveness – or more accurately its loss – immigration, and security. Therefore, we ought to explain to them how Europe can take action in these three areas, and in a better way than its Member States.

The Founding States are strongly speculating about the EU’s purposes. Citizens are nostalgic for the Europe of Six, which is considered natural. Particularly in France and in Germany, the EU is too often seen as a machine for distributing structural funds to Spain or

Poland. As far as they are concerned, one must explain that the enlargement is not just an “abstract” question of solidarity. The Europeans are much more interested by the global competitiveness of Europe and its businesses than by the EU institutions. How to keep a job? How do to stay in the race? Those are everyone’s concerns. Regarding competitiveness, the solution lies at a European level, rather than a national one. Citizens do not realize it since no one often explains it to them. We simply need to discuss what Europe does in this domain. Is the Lisbon Agenda working? Is the Euro beneficial for the competitiveness of European businesses? Are we moving quickly enough to finalize the Common market?

A premature debate on the budget and fiscal matters will only result in citizens’ withdrawal from Europe, if we don’t first concentrate on Europe’s *raison d’être*. This is evermore true given that taxation issues are particularly sensitive matters. In Spain, the debate on fiscal competition is at its beginning. Wide discussions around this theme have to be conducted within the founding Member States territories. The objective is first to make them understand that Europe is and continues to be beneficial, then to explain how a certain level of fiscal harmonization, as well as adjustments on competitiveness’s conditions can be at their direct profit.

Immigration is also a big concern. Yet, no one has wondered whether or not Europe should adopt a policy of quotas to recruit the workforce needed. It follows then, that, the policies undertaken remain short-sighted and led by events. European citizens are wary of a Europe that would encourage an uncontrolled immigration. However, no immigration policy exists on the European level, and each State “tinkers” with it on its own. We could launch a debate on Europe’s needs in terms of immigration. What to do, realistically, all together, in order to stop enduring it? The European Union must have a constructive role.



■ **Karl LAMERS**

Member of the Supervisory Board of the Fondation pour l'innovation politique, he was head of the Commission on Foreign Affairs at the Bundestag and the CDU's spokesman on Foreign Affairs.

## Budgetary Reform, Immigration and Energy

Today, Europe is in need of a success story. If it cannot refer to economic and social successes, it will lack of legitimacy for continuing its growth. The EU must not indeed forget that it is a community harboring a liberal economic order as well as a society of solidarity.

In many countries, the gap between the two aspects has become too important. This is not the case everywhere: in Spain, Europe still means hope, and the Spanish keep on backing up the construction of Europe.

The discussions that underpinned the French and Dutch "No" on the proposed constitutional treaty are equally present in Germany: the resentments are directed against the effects of globalization, and in particular against its social consequences. Citizens of Europe have realized that Europe could serve as a shield against globalization but was also contributing to it.

The United Kingdom's resistance to Europe is of another ilk, but the gap is stays present. Even if the British economy is flourishing, the social balance has not yet been re-established.

In any case, eliminating entirely the fiscal competition is not the question, but rather how much competition would be bearable. At the European level, it is hard to take decisions related to the fiscal sector for it always requires unanimity.

Moreover, we have to continue on promoting the common agricultural policy. It is neither in France's nor in Europe's interest that agriculture be overly subsidized. The share of the CAP in the European budget has to be reduced, but not in an abrupt manner. This would allow more European funding to be directed towards innovative policies in education, research, training and development.

More resources should also be devoted to foreign policy. It is in our interest to develop our relations with African and Middle Eastern countries. The recent affair

involving the caricature on the Prophet Mohammed highlights the level of misunderstanding that can reign amongst states not that far from each others.

Nevertheless, the European budget must favor the members who are the most in need of our solidarity. One cannot dream of reducing it.

Concerning the budget, I am personally in favor of instituting a European tax. This tax would help citizens identify with European policies and institutions. Taxes and European citizenship are, in my view, two sides of the same coin. Europe needs resources to meet the needs and expectations of its citizens – even if serious resistance to the idea of a European tax is foreseeable, including in Germany.

Immigration policy is an issue that ought to be dealt with at a European level. All EU countries are facing the same difficulties, even if Spain or Italy are the ones "on the front lines" due to their geographic location. Germany, for its part, has been for a long time the country that takes in the greatest number of asylum seekers. The French riots only served to expose a problem that exists elsewhere.

Today, it is a question renewing hope for the migrating people in order to avoid a more massive immigration and, by dint of that, a more explosive one. Migrations have always existed and always will. In any case, Europe needs immigration, given its aging population – even if immigration will not completely solve the problem. Moreover, immigration is needed for other reasons: as demonstrated by the example of the US, it has always meant a boost to innovation.

Any immigration policy should be accompanied by a development policy for poor countries as well as a policy of integration for those coming in. It is not solely a question of asking whether Europe needs a greater or lesser number of immigrants for they're already here. And there will always be more if the living conditions in their home countries do not improve significantly, if people can't find hope for a better future there. We must buttress such outlooks, in concrete terms and with resources.

Last but not least, a strategy for European energy

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is critical. It could, in fact, become part of an enhanced foreign policy.

Improving the independence of Europe in energy means saving energy and diversifying energy sources. We must henceforth remove the stigma from nuclear energy, even if the environmental challenges it implies have to be very closely controlled. Germany has never forgotten Chernobyl, but it is precisely in its interest to

incorporate those security measures applied by other countries that use nuclear energy to produce electric power.

It is, moreover, in Europe's economic interest to move toward alternative sources of energy and energy savings: this is an area for innovation just like any other, where investment is urgently needed.



## ■ Lars DANIELSSON

Swedish Secretary of State for European issues, he is Prime Minister Göran Persson's closest advisor. During his diplomatic career, he was most notably political advisor to the Swedish Mission to the UN (1991-1994), First Secretary of the Swedish Mission to International Organizations in Geneva (1984-1988) and First Secretary of the Swedish Embassy in Beijing (1981-1984).

## ■ Citizens' Involvement in the Debate and Budgetary Reform

It is urgent that we involve the citizens more and more in debates and decisions taken in Europe. Up until now, our politicians have been mostly dealing with the EU as an institutional question, as much in Sweden than elsewhere in Europe. Today, the priority is to raise a broader European debate involving citizens as well as politicians.

In the Swedish case, we must first review our operating structure: when Sweden joined the EU, a commission was created with the specific responsibility of European issues: the *EU-nämnd*. The other parliamentary commissions were and still are supposed to take exclusive care of their own domains only and within a strict national framework and without any preoccupation to the European perspectives tied to those domains. This is not a long term solution. This structure is beginning to change in Sweden and I am personally convinced that this implies a type of extremely important progress: each Member of Parliament will realize that the European dimension is an integral part of his work, no matter where his area of expertise falls.

Moreover, it is crucial that our national parliamentary members have greater contact with those other member states. At present, however, the European Parliament tends to monopolize contacts with the representatives of the member countries.

The right of popular initiatives, as stipulated in the drafted constitutional treaty, constitutes an additional way for a true civic renewal in the EU. In fact, the use that could be made out of it is very limited because of the prerequisites. In any case, let us not delude ourselves: popular initiative will not solve the EU's lack of democracy by itself, and it would be wrong to think so.

The public debate that is so critical to the civic renewal of the EU, was recently enhanced by creating a Committee for the European Debate, following a governmental initiative to promote and develop exchanges in this domain. I find that today the Swedish debate related to the EU is quite vigorous. The Committee plays a pivotal role, we discuss the EU every week: the debate over Europe does exist in Sweden.

As for taxation, Sweden considers this to strictly be of a national domain. We are ready to participate in on-going discussions about taxation since it is sometimes justified to avoid unhealthy competition in this field. But we must be clear: we do not believe that creating common tax regimes on businesses is a good idea – in the realm of competitiveness, business taxes are only one element amongst many others used to attract companies. Personally, I do not believe that the EU has a role to play in this area.

As for a collective defense, there is already an organization that takes care of this: NATO. There is currently no collective defense policy in Europe and

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I do not see such a thing as desirable. The member countries have each chosen their own solutions in this realm: some are members of NATO while others are not. It would be irrational and wrong to try to progress towards a collective defense. A European defense policy would be a mistake, pointless and expensive.

That said, solidarity is clearly a keystone of the EU, and it goes for both NATO members and the others. In fact, it is up to each member country to decide how it wishes to express this solidarity – through its military participation or not.

Today's is to begin debating on what the European budget should be. Sweden would like to see the CAP

progress from subsidies for production to assistance for maintaining rural lifestyles. At the same time the portion of the budget devoted to research and development should increase.

As for energy, there is no European jurisdiction here. This is a national issue and Sweden would like it to remain this way. We must evolve European cooperation in the field of energy. It would seem advisable to redirect the budget of the common agricultural policy towards research and production of alternative sources of energy. Current policy, which consists of dumping on the global market in favor of our subsidized agricultural production, can't be a sustainable long-term solution for development.



## ■ Joachim BITTERLICH

Director of Foreign Affairs for Veolia Environment since 2003, he has most notably been Helmut Kohl's Advisor for Diplomacy and Security, and Ambassador of the NATO then of Spain. In charge of conferences at the European School of Management and Technology in Berlin, member of the Board of Directors of Baden-Württemberg Energy, Administrator at Connex, Onyx, ENA, Medef International, and the Notre Europe, Friends of Europe and Asko-Europa think-tanks, he has recently published *France-Germany : Mission Impossible? Comment relancer la construction européenne* (Fondation Robert Schuman-Albin Michel, 2005).

## The Budget

The EU's budgetary issues are – and have always been – complex, and one must be realistic about what can be done in this domain. It is not certain that by applying a “code of good conduct” and using the principles of the institutional act on finance legislation (LOLF), a breakthrough will take place. This basic problem is that we have not yet developed a system to evaluate the effectiveness of the European budget.

An example: up until November 2005, Poland wasn't able to use more than 4% of the funds allocated, despite all the conflicts in an attempt to obtain more. Although European authorities want to avoid any abuse in the use of EU budget funds, the “code of good conduct” is not really the first control needed: despite several budgetary crises, the means are not going where they are supposed to.

There is a problem between Brussels and the corporations, an ideological one that goes beyond the methodology. Nevertheless, the private sector is certainly the best guarantor of an efficient use of the

credits. The allocation procedures for public markets are too complex and not that favorable to a private actor integration. We must, of course, keep an eye on the co-financing of projects, but the initial problem is one of appropriate procedures. Due to the bureaucratic red-tape, the projects' economic aspects are overlooked<sup>1</sup>.

That said, strengthening controls is a good idea, by being inspired for example from economic enforcement procedures in the United Kingdom, Denmark or Sweden. It will take several years before we can judge the LOLF's effectiveness in France. Moreover, for the time being, how does one know who judges the effectiveness of the programs for allocating the 4% regional policy “reserve” and on what criteria? Our citizens do not understand how the system works. Some well intentioned parties request funds for a project and then give up because the procedures are too complicated.

Beyond that, one has to mention the real costs and

1. If the figure of 500 billion euros needed to adapt environmental infrastructures in the CEEC, is correct, it is patently obvious that we need a public-private partnership that works!

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the earmarked expenditures so that everyone knows what the real outlay was. Europeans do not understand the difference between payment credits and real expenditures.

The increasing importance of the community's GNI resource is a natural consequence of the European budget's evolution. I am not against the idea of a European tax, as long as study the issue closely. For the time being, discussions are mostly ideological. What is needed is a rigorous analysis in order to decide to stop the debate or come to the conclusion that a European tax would be, eventually, a good thing for Europeans.

Making the budget serve the future implies reducing the CAP's share of it. We have shown that, under certain conditions, this is possible in the mid term<sup>2</sup>.

2. J. Bitterlich and A. Castera, *Ambition pour l'agriculture, libertés pour les agriculteurs*, Rapport, Institut Montaigne, juillet 2005. [Greater impetus for agriculture, greater freedoms for farmers].

This would allow us, for example, to increase expenditures on research and development. Up to now, European policy on research has not been much of a success!

We must also invest in infrastructure and energy policies; the private sector being certainly able to take care of telecommunications. The issues of defense and security (especially regarding immigration) are also high priorities. However, for all of these projects, we must be sure that the available resources are used properly.

Increasing the level of intervention of both the European Investment Bank (EIB) and Brussels would seem to be a necessity, since additional money is sometimes needed for certain projects without knowing where to find it. We finance many research departments but the projects are not executed. From an efficient management point of view, the procedures applied by the European Bank for Reconstruction and Development (EBRD) are an example well worth following.



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## ■ Hervé JOUANJEAN

General Director's Deputy for External Relations within the European Commission since 2003. He began his career at the Commission in 1976. From 1996 to 2003 he served as Director in the General Directorate for Trade, in charge of WTO and OECD matters. From 1993 to 1995 he was Permanent Deputy Delegation of the Commission's in Geneva to the WTO and the UN.

## ■ Budget Reform, Energy, and Informing Citizens

The lack of citizens' visibility on the EU's benefits is a major problem. These advantages are taken for granted as a part of every day's life. Having a protected agricultural sector, circulating freely between Member States, using a common currency, transferring capital, transporting one's favorite case of wine... all of these things have become natural, even ordinary.

The uneasiness experienced by citizens in regards to the EU can also be explained by the lack of information; and one must be informed in order to be a citizen.

There is lots of debates on Europe, and so little information. The media and the political sphere must be mobilized to end the confiscation of positive European information by national ones. In the after-

math of the tsunami, only national responses were highlighted even though the EU earmarked 350 million euros from its budget for reconstruction and its humanitarian aid office (ECHO) was extremely active early on. Likewise, the advantages that France has thanks to the common trade policy are hardly known, yet its businesses benefit every year from both the progress made by the EU in third party markets and the export-related job creation.

Indeed, why is it that the largest pressroom in the world in terms of the number of accredited journalists generates so little daily news in our newspapers, not to mention our television? How can a French citizen take pride in being also a European citizen if priority status is always awarded to national agendas and a national concentration of information? Our democracy has become an "opinion democracy" in which the media, and especially television, play a central role. European leaders must be much more

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present on the airwaves to explain, debate, and give reports. This requires an effort on their part, and the French media-political complex abandon of some of its reticence. A good part of the European “democracy deficit” would thus be erased. The European election process must also be revamped because the French parliamentary remains too far from his voters despite the new regional districting.

Obviously, the European budget must be effective, but it also must be realistic. There is no need to create a new regulation body; we already have the Court of Auditors, the European Anti-Fraud Office (OLAF), not to mention the European Parliament. One current problem in terms of efficiency comes from the complex financial regulation adopted by the Council. It imposes an unnecessary bureaucracy and impedes the various institutions’ actions. The budget should also be directed towards more efficient spending. Forget about the debate in regards to financing the CAP, which is not as costly as some would have us believe. On the other hand, we must finance the policies that most benefit from the European scale: research, innovation, creating a network of our higher education institutions, and more generally, sectors such as the environment, trans-European networks, regional policy, etc.

Despite the budgetary difficulties of many Member States, a budget limited to barely more than 1% is not a good thing for Europe. There is an inconsistency between the political rhetoric that claims to be “European” and the reality on the ground.

We must also talk more about the external policy. It helps promoting EU interests and those of its citizens on the world scene thanks to a relatively large budget dedicated to economic cooperation and development. It also enables us to win credibility and a real influence capacity, as can be seen in the Balkans and in Africa.

As for energy, a common approach is necessary. The question of denuclearizing power plants in former Soviet satellite states is indeed very important. But we cannot exclude the nuclear energy option for these countries because there is probably no other means of dealing with the energy deficit that we will face in the coming years.

Sharing fiscal sovereignty is crucial but difficult due to the unanimity rule and a hesitant public opinion. I am a prudent integrationist because the common market can function with a minimal harmonization. French tax legislation ensures a stable and predictable environment for businesses, the level of foreign investment remains satisfactory, and we must not get too carried away with the issue of delocalization. A European-wide VAT harmonization was necessary in order to attain a common market equilibrium and avoid tax-based competition for the flow of products and services within this market. But the recent debate on the 5.5% VAT for services provided locally has shown the EU may have gone just a bit too far. There are already ways to control transfers. Finally, the EU has made considerable progress in areas such as the harmonization of excise duties where convergence brackets are better than all-out harmonization. Fiscal harmonization in new areas would probably be possible by way of enhanced cooperation, but who would be willing to go along with us? Logic tells us that this should happen within the Euro zone, but for this to happen, economic governance must first evolve.

In regards to security and defense, the creation of a Ministry of Foreign Affairs is crucial for the effectiveness, the consistency and the visibility of the EU external policy. But this ministry should be a member of the Commission and the link between it and the Council in order to ensure the consistency between external policy and existing community-level external action instruments (90% of external action instruments in areas besides the CFSP are in the hands of the Commission). Without this, the ministry may well give Europe a face, but would act with a limited array of tools, and without any influence on the consistency of overall external EU actions. He would remain limited to an intergovernmental role. We must also mutualize means – particularly to fight terrorism – and obtain real commitments from member states to share more information, be more transparent and better coordinate existing community structures.

Finally, the creation of a European national and civil guard would be particularly useful in the context of civil crisis management.

These comments are being made in a purely personal capacity and do not in any way reflect the official position of the European commission.



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## ■ Franck DEBIÉ

Expert on geopolitics, Director of the Geostrategy Center at the École Normale Supérieure.

### ■ Democratic Changeover

How does one deal fairly with the Europeans' democratic disagreement over the constitutional treaty?

Should we give preference to the "yes" and move on without saying so, at the risk of further alienation of the countries that rejected the treaty? Should we give preference to the "no", stop the work and start all over again, thus vitiating the democratic voice of those who voted in favor of the treaty?

Today, the question raised over the treaty applies to every other critical issue: who will decide on the future of the CAP, on the budget, on Turkey's eventual entry, etc.? And finally, on what basis should Europeans' disagreements be resolved: a majority of the people, a (qualified) majority of States, unanimity among the States?

— A democracy based on a majority of Europeans can only be imagined, mainly because there is no such thing as the European people. There is no such thing as a European referendum. The majorities in the European Parliament, despite having been elected by universal suffrage, do not yet simply count that much since people are still attached to their states and national interests.

— A democracy based on a majority of states is hard to accept for states in the minority position, especially on critical issues. Many can barely maintain a sense of their autonomy. Others have preserved it at a high cost, over centuries, confronting their efforts to the will of unification of emperors and popes of England, of the Galician France, of Prussia, of the United Provinces, etc. A democracy based on a majority of states invariably leads to mechanisms much like those in the reconciliation of European powers in the 19th century: influence trading, compromises, advantages for the most powerful.

— A democracy based on unanimity is, finally, the dream still cherished by many states and points of

view. And Europe would end up with a cold every time one of the states sneezed. But what suits national pride would, unfortunately, risk rendering the Union of the Twenty-Five systematically inefficient and complex by multiplying the number of vetoes and exemptions.

Should one, lacking of a simple solution, try to resuscitate a certain European elitism in the name of pragmatics: leaving European integration to the Heads of State and government leaders, the ratification of treaties in the only hands of the parliaments and the preparation of major decisions to a narrow, ad hoc conclave of major powers? The cases made for returning to a Europe run by chancelleries are all more or less based on an unspoken assessment: the European Union is of no interest to the people. Nevertheless, in those countries who had recourse to the referendum, the public debate was alive, even over a tough issue and a nearly incomprehensible text; obviating the public role and be governed by a few powerful entities risk to exacerbate the tensions instead of solving the problems.

There is another way: promoting, at last, a democratic changeover. This is, after all, the basis for resolution of disagreements in our national democracies. It allows debate and change, making mistakes and correcting them. In a true European democracy, the citizens of each member state should have the right to change their minds:

— Over European policies: the latter should not be forever engraved in stone in a treaty but, on the contrary, should be susceptible of periodic modifications and reformulations based on the circumstances. How can we avoid revising the principles of the CAP? How can we outright reject a common policy on immigration? If the final treaty preserves a Title III regarding EU policies, it should also include the mechanisms for amending them periodically;

— Over their country's participation in the various

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European policies; why should a country's exemption from, or participation in, such and such a policy be a problem if it expresses the will of the people? Why maintain the quorum-of-eight rules of the Amsterdam Treaty that hinders the initiative of forward-thinking groups ready to commit first to enhanced cooperation efforts claimed by their publics? Why not introduce, without further delay, and in accordance with existing treaties, a control by national parliaments over the principle of subsidization? Why not set up a strengthened cooperation between volunteer countries in the social realm, banking on community achievements (combating poverty and forms of discrimination)?

— About the institutions: those who said “no” to the treaty may change their point of view, because the circumstances have changed, public debate has broadened, or the majority vote of their fellow Europeans seems better founded. This change cannot come about without a much more dynamic political analysis than

a “pause for reflection”:

- pursuing the treaty ratification process by counting those for and against it;
- rekindling the debate over the end goals of the EU in all of its countries and especially in those who rejected it so as to better ascertain expectations, lack of understanding, the desired division of power and sketch out, gradually, new policies and a European budget of the future;
- demonstrating the effective usefulness of the European Union from the existing treaties perspective. This is the critical point: citizens will lose interest in the institutional structuring of a Europe they have nothing to gain from. The “Project Europe” is not a diversion to simply fill in a blank in the community's history. The projects have to quickly demonstrate to its citizens that Europe is working, that it is working for them and that it will work even better once it has institutions with greater decision-making ability.

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## ■ Sir Stuart BELL

British Labor MP, responsible since 1997 for relations with the Church of England and President of the Franco-British Parliamentary Relations Committee, he is a member of the Board of Directors of the Fondation pour l'innovation politique. A member of the Labor Party since 1964, Councilman for the city of Newcastle in 1981, then MP in 1983, he was the spokesman for Northern Ireland from 1984 to 1987. A lawyer and author of numerous works, he has most notably published *Pathway to the Euro* (2002).

## ■ The Common Market's Completion

Up until now, political decisions preceded economic developments: we decided to form an economic union before the economies themselves were ready for it. Today, economic issues are of the highest priority and institutional ones have to take a back seat.

Indeed, Europe was created by the elites who were the decision-makers, and the people followed, but today they no longer do so. Not only do citizens no longer follow, but also the disagreements amongst member states are important. Rekindling the civil society's involvement has become a priority.

Our parliaments are trying to enhance their powers in such a way that decisions are made with as much citizens' involvement as possible. But it is the elites

(academics, businessmen, media, foundations, etc.) who must continue on carrying the ball and showing the way: European investments in research, the creation of a European University, the development of university exchange programs and an enhanced use of European languages in the schools.

The public is too preoccupied with daily life and poorly informed – Great Britain only has strongly anti-European media – for them to be directly involved. By giving more voices to the citizens without showing them the benefits of a role in the EU, we would run into obstacles: the Saint-Malo agreements would never have been signed if we'd had to consult with the citizens.

How can the EU progress if we lack of a European spirit? What we need is a broad debate on what Europe is today and what the European project is.

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This debate has been absent for too long and the elites need to have a clear idea of what they want. Can we go beyond the common market? What does the European social model mean to this group or that one? Our citizens do not want, as such, more institutions or more Europe. Each government must have a clear idea of the Europe it wants in order to progress towards it while taking into account national interests. The British government must become engaged: since 1997 – Tony Blair’s first term of office – the government has made declarations but has not stimulated debate within the country on the future of Europe. This is not the way to rekindle the European civic spirit. This is why it is up to the elites to promote this civic spirit by making the benefits of the EU known.

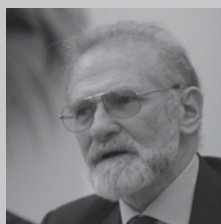
The kindling of this debate must also be ensured by community institutions, which should make considerable effort to mobilize the elites and reverse the tide of criticism directed towards Brussels. It is only by making them aware of the need for this or that European policy and by enhancing communication on the benefits gained from the economic Union – including those related to the need to confront China and India economically – that the debate can be broadened and gradually come to involve the citizenry.

As far as common foreign policy goes, the debate

should concern those themes on which we already agree: Iran and the threat of its nuclear potential, on which France, Great Britain and Germany have coordinated their positions, or financial development aid to poor countries.

How to do it: to come to an agreement on limited objectives that will be gradually broadened. This means, first of all, making work what we currently have – and agree on –, and keeping our word on commitments made – such as completing the common market or mobilizing to achieve the Lisbon objectives, creating the European University, enhancing scientific research and broadening Europe’s identity beyond national identities. “Civis romanus sum”, as the Romans said: “I am a citizen of Rome”. We are all citizens of the European Union.

The priority now is to develop the benefits gained from the common market in order to increase national wealth through the growth of small and medium-size businesses as much as through large corporations, to enhance citizens’ purchasing power and create jobs. It is this kind of tangible proof that our citizens want, because the argument that the war is over is no longer enough to justify the existence of the EU: we must stop looking backwards and turn toward the future.



## ■ Bronislaw GEREMEK

European MP since 2004 and Vice President of the Board of Directors of the Fondation pour l’innovation politique, he was the Polish Minister of Foreign Affairs (1997-2000) and a member of the Polish Parliament (1989-2001). An historian of international renown, co-founder of the Solidarnosc movement, he holds the international chair of “Social History: exclusions and solidarity” at the Collège de France and the chair of European Civilization at the College of Europe in Natolin (Warsaw).

## ■ Solidarity between Europeans

The current unrest is mostly caused by the citizens feeling of not participating in the European public life. We are witnessing European societies’ disenchantment with their government. Today, to initiate a debate on Europe, one has to mobilize all of the European structures. The central issue remains, in fact, the weakness of the European public space. Information about Europe is insufficient. What we lack of is European electronic media, European newspapers and European news in our daily papers.

The European Parliament has taken a number of initiatives aiming to strengthen collaboration with national parliaments and to organize a European civic forum for discussing the proposals in the European Commission’s Plan D.

Besides that, it is worrying to see euro-skepticism currently growing in the new member states. From this point of view, we must be careful not to subordinate the debate over the future of the EU to national concerns. In Poland, it will be hard to have this debate with a government that itself is highly euro-skeptical, if European institutions are not heavily involved in broadening the debate on a European scale.

# THE EUROPEAN UNION: WHICH ISSUES SHALL WE MOVE FORWARD WITH TODAY?

Moreover, given the challenges of enlargement and of the Lisbon objectives, shrinking the overall budget would be a very bad move. We must be wary of the national egotism that is beginning to develop in the current climate, where wealthy countries seek to reduce their financial involvement and where poor countries are out to get as much as possible. We cannot move forward if we do not return to the common interest of Europe.

The debate on the budget has demonstrated the need to give higher priority to the idea of the EU having its own resources. We could create a European tax: not one that is a new tax added to existing national tax burdens, but rather one discounted from them. That would create a strong bond between the EU and its citizens.

One must not forget as well the issue of the imbalance that exists between, on one hand, the resources allocated to the development of modern technology and to R&D and, on the other hand, those serving merely to preserve the CAP or the British rebate. Up until now, the EU has been incapable of formulating a plan that would allow it to carry out an in-depth reform of this situation. However, in order to meet the Lisbon objectives, one cannot worry exclusively about the financial side.

Education and research can no longer be subjected to strict application of the principle of subsidiarity. On this question, one has to reconcile subsidiarity with the notion of the common interest. Developing a common policy in this field is in the Europeans' interest.

After all said and done, solidarity remains one of the major problems for the future of the EU. The historical dimension of the 2004 enlargement and the benefits one might gain from it here and there have

not been well disseminated. This lack of communication is in large part responsible for public opinion's discontent with the enlargement.

As for the constitutional treaty, we must at all costs avoid losing the new political and social dimensions of this text. We should devote ourselves to changing the current political and social climate and then move on to the text itself to determine what to do with it. The European Parliament won't have any part of the treaty adopted before the ratification process is completed. However, in my personal view, I think we could move ahead gradually: by creating a European minister of Foreign Affairs and by adopting those points in the treaty covering defense. I am, however, aware that without the constitutional treaty this would be a lame undertaking.

As for immigration and energy, we have not yet formulated a European policy even though these are pressing issues. There is, in fact, a problem of energy security that raises both the issue of available reserves and that of dependence on certain countries. We must prepare public opinion for a reduced level of consumption and make available sources of energy other than hydrocarbons.

Given the aging of the European population, we need an immigration policy. However, at the same time, the foreseeable political and cultural repercussions promise to cause drastic side effects. The debate cannot be solely over the issue of quotas. We must consider the issue in the broadest possible manner, embracing all of its cultural and religious aspects, along the lines of Umberto Eco's philosophy of a cultural melting pot, by which this hybridization is the most positive phenomenon in the history of Europe.

## ■ Upcoming Events

### Upcoming Encounters

■ Thursday March 2, 2006 at 6:30 pm: **"Fighting for Democracy along EU Borders : part one, Belarus"**, Roundtable organized in cooperation with the Fondation Robert Schuman.

■ Tuesday March 7, 2006 at 6:30 pm: **"Anthologists"** Seminar: the notion of "citizenship".

■ Wednesday March 8, 2006 at 6:30 pm: **"France 2005: the French have turned the page, civil society takes the relay"**, Roundtable organized in cooperation with Sociovision Cofremca.

■ Monday March 20, 2006 at 1 pm: **"The European Social Model"**, day-long conference in Brussels in cooperation with the Konrad-Adenauer-Stiftung and the Hanns-Seidel-Stiftung.

■ Wednesday March 29, 2006 at 5:30 pm (tbc): **"Integration and Social Cohesion in the United States"**, Roundtable, presentation of the report on social integration in the US.

### Recently published on [www.fondapol.org](http://www.fondapol.org): Where is Europe Headed?

In a series of publications – brief "Points of view" and more developed "Policy papers", the Foundation offers its opinions on important issues and lays out tangible proposals.

- Relaunching the EU: a Civic Approach
- What Should the EU budget Be?
- Which taxation policy for the EU ?
- Europeans' Security
- European Development Policy

#### Proposals emanating from these publications

##### Relaunching the EU: a Civic Approach

- Promote the Europeanization of national debate through regular interventions of Euro MPs and Commissioners before the benches of national assemblies.
- Mobilize national parliaments to apply the subsidiarity principal without waiting for the possible ratification of a constitutional treaty: as soon as the European Commission proposes a directive, national parliaments must be able to object and force the Commission to propose a new text.
- Encourage the television media of public service to give to their programs a European dimension.

##### The EU Budget

- Keep on increasing the importance of the GNI resource in the European budget. Reinforce and widen the application of the "performance reserve" allocated to provide a supplementary funding of the most efficient regional policy programs.
- Progressively reduce by 2013 the funds dedicated to support exports and guaranty prices (CAP) in order to fund a policy of higher learning and research, with the creation of new autonomous establishments: the University of Europe, the European Institute of Technology, etc.

##### Security and Defense

- Define a collective strategy for energy supplies and independence.
- Create a common instrument, police wise to ensure border controls and the war on trans-border criminal networks.
- Provide the European Armaments Agency with its own multiannual budget for developing the common interest capacities (strategic transport, new intelligence technologies, civil protection means, etc.)

##### Fiscal Policy

- Introduce a reduced VAT rate for a fixed list of services and products.
- Immediately engage in a process of business tax harmonization.
- Use community and national fiscal incentives to benefit of new energy sources, technological innovation and artistic creation.



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