

OUR CHARTER

WHAT EUROPE DO WE WANT?

On the occasion of its tenth anniversary in 2006, the Board of Directors of the Jacques Delors Institute reaffirmed its attachment to an ambitious vision of the European integration through a Charter of which the principles are the following ones.

THE STATE OF THE UNION

On 9 May 1950, the Schuman Declaration lay down the foundations of the most beautiful political project born of the 20th century: the reconciliation of peoples and the anchoring of a lasting peace in European integration, with as its cornerstone the European Coal and Steel Community. Five years later, with the Treaty of Rome, the European Economic Community was born. The Union will celebrate its anniversary on 25 March 2007.

Today, the outcome speaks for itself: a deepened integration via three major revisions of the Treaty of Rome, an enlargement from 6 to 9, 10, 12, 15 and finally 25, then 27 Member States, a realm of peace, a single market and currency, a corpus of common policies. Even so, fifty years are but a drop in the ocean of Europe's long history. In this new era of globalisation of exchanges, the European Union has more than ever a role to play in the world provided it sets itself the objectives and chooses the means to match its ambitions.

From this vantage point, taking in both our past and our future, we put the current questioning of the European project in perspective, which does not mean that we underestimate it. The hold-up caused by the French and Dutch "no" to the Constitutional Treaty in May 2005 and the decision of some member countries to suspend the ratification process has brought into the open a deep crisis in the European integration. And Jean Monnet's beloved "spillover" approach from one sectorial integration to another will not alone suffice to overcome it. The Union has reached a turning point in its history and must steel its political will.

To be sure, this crisis has quite a lot in common with **growing pains**. The EU will have gone from twelve to twenty-seven members in twenty years, and the breadth of the latest enlargement is unprecedented. As we shall see further on, The Jacques Delors Institute considers these enlargements wholly justified and in no way premature. However they were not well explained or planned. In any case, they were not well understood by public opinion. Meanwhile, the growing heterogeneity and the impact of large group dynamics render decision-making as well as defining common projects more difficult. In this, time is an all-important ally.

The Union is further hindered by a failure of democratic praxis in the European public arena. National and European political leaders - ready enough to use Europe as a scapegoat - have not succeeded (if indeed they ever wished it) in keeping the people alert to what

is at stake in the European debate, outside moments of "high drama" such as referendums. The result is alarming: Eurobarometer surveys which showed support for European Union membership rising pretty steadily from 1973 to reach a peak of 70% in 1990, show it falling after this date to fluctuate around 50% today. This gradual distancing of the citizens from the European Union is not an acceptable situation: a European project smacking of elitism has no future. But this sense of disconnection signals a broader crisis of legitimacy for political institutions: the level of confidence the citizens have in the European Commission is low (46%), and in their own national government even more so (31%).

The current **crisis**, however, has much more to do with a **loss of direction**. Today's citizenry and political teams are no longer those in place 50 years ago. The geopolitical environment has drastically changed too. The will to pacify the European continent which had driven the founding fathers was enough to give its meaning to European integration. For many of them the vision of a European federation was also a template. Nowadays, the rationale and the political fate of Europe are more blurred.

The effects of globalisation muddy the waters and give rise to contradictory reactions: for some they diminish the relevance of the regional tier, for others they expose the inadequacies of the Union's protection capability. The people, bewildered by social and economic difficulties and troubled by immigration flows or the degradation of their environment, are not sufficiently aware of the value added by the Union in terms of security or prosperity. This has been compounded by the social and economic impact, be it real or fantasized, of the Union's consecutive enlargements. Lastly the continued centripetal pull Europe exerts on its neighbours raises the question of whether it has become appropriate today to fix its borders. So, fundamentally, the EU is in crisis about its vocation, a crisis which urgently requires the drafting of a project to set it back on tracks, an inspiring, visionary and brave project.

JACQUES DELORS' PHILOSOPHY AND EUROPEAN INTEGRATION

When reflecting on its mission, the Jacques Delors Institute continues to take its cue from its founding president, Jacques Delors. Besides the masterstrokes the *Single European Act* and the *Maastricht Treaty* represent, and their two great attending projects, namely the single market and the economic and monetary Union, European integration

owes him one of the most dynamic and inspired periods of its history. A *virtuoso* in the art of working the Community method and its famous “institutional triangle”, he can rightly join the ranks of Europe’s founding fathers. It is his vision, which the Jacques Delors Institute aims to grow and perpetuate.

At the heart of this vision – lest we forget – lay the conviction that the European integration process is meaningful and must be pursued. The peace objective still has currency for the Jacques Delors Institute. Peace remains fragile and needs constant protection; the Western Balkans should be a constant – and graphic reminder of this. Above all the EU must keep faith with the concept, developed by Hannah Arendt and close to Jacques Delors’ heart, of “forgiveness and promise”. That philosophy feeds the notion of integration and relies on magnanimity, generosity and trust.

This philosophy must underpin the second major objective of European integration today: the promotion of **a sustainable and fair development model in a globalised world**. The social and identity upheaval brought about by the advent of globalisation, along with the accompanying and swift emergence of new economic powers make the European tier indispensable as a coherent and humanist political unit capable of hitching the local-national tiers to the global one. Sustainable and fair development means: acknowledging the progress achieved through the lifting of trade barriers and the needs for public policies aimed at reducing social inequalities and encouraging full employment; redressing the balance between capital and labour, mercantile and non-mercantile spaces; it conceives of the defence of the environment as a “horizontal” stake running through all other issues; it implies the definition of new world governance models in full keeping with the rule of law and a commitment to the reduction of the grave disparities between world regions.

Finally European integration also offers a template for 21st century society. **Unity in diversity** is more than a motto: it is an identity. The European project must elevate spiritual and cultural diversity to the status of assets to be protected. The promotion of diversity is the best way to show that globalisation is not tantamount to normalisation; and it has the added merit to reinstate the European humanist tradition.

A JOINT POLITICAL, ECONOMIC AND SOCIAL ARENA – AN INTERNATIONAL ROLE

The end goal of European integration, for the Jacques Delors Institute, is the creation of a **political community**, beyond market

and economic trading. What brings the Europeans together within the Union is therefore, beyond lifestyles, a set of founding political values. The which – freedom, democracy, rule of law, human rights – are enshrined in the treaties and itemised in the Charter of Fundamental Rights in a corpus of human rights which are at the core of integration. These values are not merely declaratory: the European Court of Justice is their ultimate guarantor while the “early warning” system makes pre-emption possible in the event of a potential violation by one of the Member States. Furthermore, they make up the bedrock of the so-called Copenhagen political criteria, against which a state wishing to join the Union must measure up. These values are also the mainstay of the Union’s foreign policy and of its action on the international stage.

The social market economy, founded, among other things, on solidarity also rates as a fundamental European value. Whatever the variations between them, European social models all make a close link between economic and social matters. The European “economic and social model” as it may result from the synthesis of these variants thus draws its force, in the Jacques Delors Institute’s view, from the indissoluble association between its economic and social facets. Social welfare impinges on economic development; it is not a by-product of economy. In order to preserve, improve and develop it, but also so that it may rely on a dynamic and durable economic growth, three great European schemes at least are prerequisite: the completion of an internal market intent on fairness, the reinforcement of economic and social cohesion and a substantial improvement to the coordination of economic policies. These schemes call for the implementation of the concrete policies developed below.

The Jacques Delors Institute also insists on the pressing necessity for the Union to become **a global and influential actor**. When it comes to foreign policy, Europe is possessed today with the “soft power” tools that count most on the international stage: first trading power, first international aid donor, peace keeping and peace building practitioner. It is coincidentally busy procuring the means for military projection operations. It must, in due course have summoned up a defence policy and the joint forces to go with it. But the EU has yet to master the art of marshalling the full gamut of instruments at its command to achieve a strategic objective. Now, disagreements vented on the international stage notwithstanding, all Europeans are attached to multilateralism, to cross-cultural dialogue, and to the respect of international law. Over and above the necessary remoulding of its transatlantic relations and of those with its neighbours,

the Jacques Delors Institute wishes to draw particular attention to the need for the EU to contribute to the reform of international organisations. It must be party to those with a view to improve global regulation, keeping an eye on the Bretton Woods institutions where the Eurogroup should be able to make itself heard. The establishment of a genuine common development policy wherein European and national actions complement each other and the creation of a foreign affairs minister as vice-president of the Commission too are crucial developments. The aim of the Union is not only to be present to the world; it is above all to act on the world, to build the international system, be it economical or political.

EUROPEAN POLICIES ARTICULATING COMPETITION, COOPERATION AND SOLIDARITY

Competition that stimulates, cooperation that strengthens, and solidarity that unites: the Single Act's famous triptych remains the golden rule to chart the development of EU policies.

In the current globalisation context, it is incumbent on the EU to be competitive, to believe in its assets and to make them bear fruit. Setting up **stimulating competition** supposes first the realization of the community-wide single market and the effective implementation of the four freedoms of movement. It also requires the clarification of competition policies: To what end and how can an even-handed and healthy competition, serving both consumers and workers, whose interests cannot viably remain at odds, be introduced? The market can be short-sighted and the construction of the common market must go hand in hand with public regulation agreed with the social partners and civil society actors. This, today, points to the promotion of a European framework for public interest services. The competition between nations and regions cannot be endowed with the same virtues as those associated with business competition. Though healthy emulation may be conceivable, nay desirable, competition between nations is the harbinger of all sorts of conflicts and the very negation of all concepts of political community, not to mention being a brake on the coherence and might of a large integrated economic block. Some types of fiscal and social competition are destructive and must be resisted.

A cooperation that strengthens is before all effective. The "Community method" – as expounded below – has proved its effectiveness and must be implemented in as many fields as possible, notably applied in priority to research, infrastructures and the environment along with some aspects of education such as mobility

and induction into professional life. It must now be extended to fields of operation requiring urgent attention such as immigration and energy. Cooperation is one key to European growth. It supposes the necessary coordination of Member States macroeconomic policies, particularly within the Eurozone. Today the euro protects but does not boost. The Eurozone lacks the fiscal, economic and budgetary counterpart to the Central Bank.

It is necessary to return to a more selective practice of European initiatives and explain more clearly what pertains to the national sphere and where the Union can contribute real added value. This is the angle from which the Lisbon Strategy – which has not come up with the goods – upheld the indisputable virtues of benchmarking, must be revisited, narrowing the objectives and allowing the Union a more constraining role where its action is justifiable.

However, there is no point in attempting durable economic development without consolidating its **grounding in solidarity** and equity. This supposes an ambitious social and economic cohesion politics. The taste for structural policies must be rekindled instead of being, as so often today, distorted by the tunnel vision of budgetary strictures. They must rest on a partnership between the institutions, the States and the regions and lead to the implementation of policies such as those addressing the balance between urban control and rural development. And the means must be found to meet social concerns whilst allowing subsidiarity to play its part. The Union must not do everything and the citizens must be informed of "who does what". But there are domains where Union action is of the essence and where it will have to be increased. The issue of mobility comes in that scope: a European labour market is needed for those who go from one country to the next, including common rules and protections. Member States must further come to an agreement on a minimum package of social rights to be observed everywhere and at all times. The Union must also help Member States face up to new social threats and the ubiquitous sense of dread experienced by citizens confronted with ageing, environmental, nutritional issues, or indeed the social impact of technological mutations and economic globalisation.

AN INSTITUTIONAL FRAMEWORK OF A FEDERAL NATURE INVOLVING THE CITIZENRY

The European Union still suffers a gap between its ambitions and the institutional means at its command. The Jacques Delors Institute thinks that federalism remains the political organisational

structure and the decisional model best suited to the optimal expression of unity and diversity. It is also the only possible way towards the democratisation of a greater Europe. It is in that frame of mind that *the Jacques Delors Institute* champions Jacques Delors' groundbreaking vision of a **Federation of Nation-States**. While acknowledging that it invites adjustments to the current deal as well as new developments, *the Jacques Delors Institute* considers that this innovative concept remains the formula best able to coalesce a forward looking consensus thanks in particular to the explicit recognition of the EU's double legitimacy (that of the peoples and that of the States) it embodies.

The Federation of Nation-States carries out its executive function via a specific European governmental model grown from a synergy between the Council and the Commission whilst the Parliament and the Council of ministers fulfil – in a spirit of co-decision – the legislative and budgetary powers. The European Council falls back on its orientation function through sessions prepared by the Commission and the General Affairs Council, itself resuming its place at the hub of the Council. The Commission must be able to regroup around its political role and have its foundation in a democratic legitimacy reinforced by the link between the nomination of its president and the result of the European elections. The Federation of Nation-States thus remains faithful to the so called **Community method**, more than ever necessary in an enlarged Union where the common good is increasingly difficult to arrive at and where – given unchanged institutions – the Union's decisional capacity is considerably reduced. This method relies essentially on the ongoing dialectics arising from the right of initiative granted to the Commission as an independent body and the majority vote within the legislative powers. The fore-going of the veto is the condition to a genuine union, it being a value superior to any form of dissention.

A more active involvement of the citizens in European decision-making will stem more readily from the implementation of this institutional construct, as the splitting of competences between the Union's power tiers becomes clear to them. This is another key component for a federal institutional project resting on the subsidiarity principle (from European to local level). Citizens' participation to the Community decisional process has become crucial to the European project. In this respect the beginning of the 21st century must register a democratic turnaround representing as significant a shift towards European Integration as the pacification of the continent the founding fathers embarked on half way through last century. National political leaders must take their responsibilities by

answering to the citizenry for the decisions they have taken in Brussels. Debates must be opened up, national parliaments directly involved, **the citizens associated** to the processes. Innovative and transnational methods of deliberation to this end must be explored; the construction of a European public arena must be kept up at all costs. The organisation of electoral or referendum consultations simultaneously in all States would be a useful tool.

Equally essential to a sustained integration momentum and the ongoing shift “from diplomacy to democracy”, is the reform of the treaty revision process. The European Council of Laeken had already acknowledged the limitations of the intergovernmental method in this domain by setting up a **Convention**, itself a major democratisation development. This structure must be upheld, improved and vested, in the future, with a decisional mandate for its purpose. The national ratifications watershed remains prerequisite but it is imperative to explode the unanimity deadlock whilst safeguarding the rights of those who would not wish to move on. An early decision would consist in the imposition of simultaneous ratification in all the States, according to their own constitutional mode. A double majority system (peoples and States) qualified if needs be at European level must in due course be brought into being.

Resorting to a veto will become increasingly incompatible with a greater Europe. The Jacques Delors Institute is opposed to a nostalgic view of the European integration. The Union grew in stature as it successfully negotiated the historical challenges it was confronted to: the diverse enlargements of the Union are an astounding testimony to its capacity. Keeping faith with its calling as a European project for pacification and prosperity, the EU has nothing to gain from a final settlement of its borders. Nevertheless the **enlargement** of the Union is not to be a substitute for its deepening or an occasion to betray the spirit of mutual trust and cooperation, which presides over its political project.

The federal approach to decision-making, specifically the growing resort to majority vote remains the favoured option to sustain the integration momentum in an enlarged Europe. But this favoured option needs time and the global climate is not to dithering. So that the Jacques Delors Institute considers the **differentiation principle**, which made great leaps forward possible in the past worth reactivating to overcome stagnation in a 27, sometime 30 strong Europe. Enabling a group of States to advance on a specific objective has been a useful solution in the past. Enhanced cooperations, granted a lighter procedure, are a potential and

desirable option for they are enacted within the framework of the treaties. But other differentiation models have been used and remain available such as transition periods or opt outs. The coherence of EU action requires however that in a differentiated Europe, a recognizable nucleus of States remains headed for political union. A Eurozone having made inroads into the coordination of economic policies could in the fullness of time, and strong in the significant symbolic value of the single currency, form this reference group.

Admittedly, the reordering of the institutions cannot alone carry European ambitions. The 21st century EU must also have at its command **a budget in keeping with its ambitions**. It will not be possible for ever to settle for a ceiling at 1.27% of Member States' gross

national product without abandoning stated goals. It must establish new own resources levied through genuine European taxation, proof perfect of European solidarity beyond the States' calculations in terms of "return" on their contribution, calculations the philosophical, political and economic basis of which the Jacques Delors Institute disputes.

The crisis experienced by the Union, rather than hindering it, illustrates the urgent need to preserve and expand an ambitious dynamics towards political integration. The Jacques Delors Institute, with this formulation of the European project at its core and grounded in an institutional and democratic bedrock apt to mend the links with European citizens, proposes to be both thinker and actor in this dynamics. ●

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