



**EUROPEAN COUNCIL  
THE PRESIDENT**

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**Herman Van Rompuy  
President of the European Council**

**NOT RENATIONALISATION OF EUROPEAN POLITICS,  
BUT EUROPEANISATION OF NATIONAL POLITICS**

**Address given at the invitation of "Notre Europe"  
Paris, Grand amphi de Sciences-Po**

Mr President,  
Ladies and Gentlemen,  
Students,  
European friends,

I am delighted to be able to speak to you this evening here in Paris. I thank Notre Europe most sincerely for inviting me, and I accepted out of respect for your work in support of the European idea. I would cite as an example your recent report on energy, which is excellent and will be most useful for the European Council meeting at the start of February on energy policy. I also thank Sciences-Po for hosting us this evening. I am particularly happy to see so many students and young people amongst you!

I myself was twenty in 1968. At that time Paris, and in particular this Faculty, was the political and cultural capital of the world!

In Europe – in France perhaps even more than elsewhere – we like to honour the Founding Fathers of European integration: Robert Schuman, Jean Monnet, Konrad Adenauer, Paul-Henri Spaak... It was thanks to their creative efforts that Europe came into being.

The memory of our *Founders* should not, however, allow us to forget that the European project is not complete. It is still being built, every day. A work in progress. In history, there is no such thing as acquired rights.

**P R E S S E**

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This gradual but inexorable progress of Europe must be stressed. In my first few months in my new post, I noticed something interesting: the so-called slowness of Europe is the despair of both its supporters and its detractors. "Hurry up, dear", the former cry; "what lethargy", the latter mock sarcastically.

To all these malcontents we must say, with Galileo : *And yet it moves!*". The secret of Europe is the intelligent use of time. It takes its time. Impatient suitors understand it as little as those who crave the *status quo*. In the end, our Union will always surprise.

This remarkable feat is hard to grasp. Hence there is a constant chorus contending that the Union is too invisible or on the way out. At the end of August an American professor, a member of the influential *Council on Foreign Relations*, wrote in the *Washington Post*:

"The European Union is dying – not a dramatic or a sudden death, but one so slowly and steady that we may look across the Atlantic one day soon and realize that the project of European integration that we've taken for granted over the past half-century is no more."<sup>1</sup>

The European Union on its death bed – far from it!

This reminds me of Bossuet's immortal words at the funeral of Henrietta of England (1670): "Madame se meurt. Madame est morte."

Ladies and Gentlemen,

I am sure that this pessimism is greatly exaggerated. As Mark Twain said, discovering his obituary in the newspaper: "The reports of my death are greatly exaggerated". Europe is tough. We are capable, together, of remaining masters of our fate.

There is one point in Professor Kupchan's analysis that strikes me. The mortal danger that he detects for us he calls a "renationalisation of European politics". This expression is cropping up more and more. But it seems superficial to me. Europe has never set itself up in opposition to the nations. If national politics have a prominent place in our Union, why would this not strengthen it? In a word: not renationalisation of European politics, but europeanisation of national politics. It is becoming clear that our common action has penetrated to the heart of the national body politic.

More astonishing than the pessimism of foreign observers is that which sometimes emanates from Brussels circles, a pessimism of disappointed love. If you set the bar too high, disappointment comes too quickly. Disappointment gets in the way of action. And action is what we need!

It is no longer 1950 or 1960, when the ideal of peace – or its corollary: the memory of war – was enough to propel the European idea on its own. Yet we surely don't regret that we've had so many years of peace between European nations! That would be absurd.

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<sup>1</sup> Charles Kupchan, "The European Union: going its separate ways", *The Washington Post*, 29 August 2010.

The essential point is that we are no longer in 1960, in so many respects. Europe is no longer a young and therefore vulnerable hothouse plant, as it was at the start of the Community of Six.

It exists, regardless of what anyone wants. A fact of life. A historical breakthrough. It has imposed itself in law; with its institutions it can force governments to cooperate, to settle their disputes in meeting rooms in Brussels rather than on battlefields from Verdun to Sarajevo.

It was a source of stability for our continent after the fall of communism in 1989, with its now 27 Member States, new and old. (I would add that even today, the mere prospect of European membership for the Western Balkans is the best guarantee of peace. I am convinced that it would take more than just a few incidents to set this region alight. This is because there is the hope of one day belonging to the Union. Peace thus remains a crucial argument for Europe.)

Europe has entered the lives of our citizens; every day it forges further links between our economies, our civil societies, between the interests and values of us all, across a population of 500 million Europeans.

You can see that, after sixty years of common history, we are a long way from that small Community seedling, fearful that the forces of evil were stirring. There is now a lot more than idealism to guarantee the solidity of our Europe. I repeat, Europe is part of our life in society. But if you don't go forward, you go backwards.

Ladies and Gentlemen,

I wanted to talk today about the "the European Union's big challenges". Instead of immersing ourselves in the detail of a particular Single Market directive, or a particular diplomatic episode, let's look at things in a broader perspective. Where are we today? What needs to be done urgently? Why are there reasons to follow our star?

I should like in this connection to tackle two subjects close to my heart: the economic governance of Europe and the Union's place in the world. These were the two major topics at last week's European Council meeting. Along the way I will also touch on an institutional point that gets the experts aroused: the relationship between the "Community method" and the European Council. In my view this point may explain why we can easily go wrong when we talk of a decline of Europe.

At the end we shall have a debate. I am glad about that because for me it will be the most interesting part of our get-together!

## **ECONOMY/ECONOMIC GOVERNMENT**

Let's take the economy first. This spring, the Economic and Monetary Union had some difficult times. You will all be aware of this.

Greek government financing problems turned into a serious crisis for the whole euro area. At the height of the crisis, around the weekend of 7 to 9 May, the survival of the euro itself – and hence of the European Union – was in question. Their fate is now intimately linked. Europe has stood up to its internal and external demons. Yes, the Union and the euro are tough!

It is in difficult times like these that the invisible and under-estimated forces that hold us together come to light. On 7 May, the Heads of State and Government of the 16 euro area countries decided to do everything possible to safeguard the stability of the euro. Unprecedented measures were taken within 48 hours – including a rescue package of 750 billion euro, with the IMF.

Afterwards, decisions were taken to improve surveillance of the banking system at European level, to compel banks to undergo a "stress test", along with others, in order to restore confidence. This was successful.

It took time to find a proper balance between the responsibility of each individual and solidarity with everyone. This is quite normal. First of all, there was no instrument in the Treaty for doing that; everything had to be invented, while the storm raged. Moreover, as the European Union is not a State, decision-making procedures are complicated. In the case of the euro area, we are dealing with 16 governments and 16 parliaments. Everyone passed this test.

This was a fine example of what you might call the European tortoise: a slow, hesitant movement at first, which in the end surprised everyone – including the impatient stock markets!

Obviously we cannot stop here. The lessons of this crisis need to be learnt as a matter of urgency. The European Council therefore asked me in March to chair a Task Force on economic governance.

I can tell you at once: we are not going to make the great leap forward to a budgetary union to complement our monetary union or to a pooling of debt. We will make a series of steps, small ones perhaps, but in the right direction, and, together, they will amount to a major step!

The challenge is twofold. First, to eliminate as far as possible the chances of such a crisis recurring; in that context we are striving to improve observance of the Stability Pact, so that public expenditure no longer goes off the rails, and to improve close monitoring of countries' macro-economic developments – think of an early warning system to detect the risk of real estate bubbles, for instance, or the emergence of large balance of payments deficits. Our second task is to enhance the European Union's capacity to react to a new crisis. I want and expect progress on both fronts.

I will not go into the details of the measures on the table, in any case not straight away. European economic governance is one of the pet subjects of the President of Notre Europe, and I shall be glad to talk about it during our debate.

### THREE POLITICAL LESSONS OF THE CRISIS

Since we are in an Institute of Political Studies, rather than go into technical matter I prefer to draw three political lessons from this episode – lessons about the state of our Union.

The first is that we have to live with the dilemma of having a monetary union without a developed budgetary union. Since the euro was introduced the European institutions have been responsible for monetary policy, while the Member States remain in charge of their budgetary policy and coordinate their economic policy. That creates tensions. Hence the sometimes *tortuous* decisions I mentioned.

You might deplore a design fault, the "euro's original sin" according to some. I prefer to call it a structural handicap. But at the time – the negotiations on the Maastricht Treaty, between Germany and France in particular – a choice had to be made. Without that original sin, the euro would not even have been born.

The question that concerns us today is thus: Can the euro survive despite this innate tension? My answer is an unambiguous "yes". Our capacity to react during the crisis clearly showed this. We did everything to defend the euro; we are ready and capable of doing it again if the need arises.

If the Stability and Growth Pact had been applied, this crisis could have been avoided. If we had acted on the numerous warnings from, among others, the European Central Bank about certain countries' competitiveness problems, these troubles could have been averted. Surveillance must be stepped up, but above all it must be applied. The political will exists now. We do not need an institutional revolution, we need action.

Nor should we forget that creation of the euro only became possible in the aftermath of the fall of the Berlin Wall, in 1989 – even though the idea obviously existed before that. That was a political event of the first order, a complete rebalancing of Europe. Even if what we have just experienced with Greece is extremely serious, we must keep a sense of proportion. A few percentage points increase in the Greek *spread* does not compare with the end of the Cold War, or with the creation of the euro.

My second lesson concerns the role of the European Council in this regard. Why are the Heads of State and Government playing a key role in European economic government – during the crisis and no doubt after it?

Before the summer, voices were raised in criticism of this role being played by my institution. An old pattern of thought (which students will doubtless know from their manuals of European law) re-emerged: the "Community method" was being threatened by the intrusion of the "intergovernmental", notably in the form of the European Council.

(For the uninitiated (if there are any here!): the Community method is the specific method which the European Community has developed for taking its decisions. In its pure form, the Commission makes a proposal, the Council votes by majority, the Parliament co-legislates, and the Court has jurisdiction over whether States have applied the rules: a system of balances guaranteeing both effectiveness and legitimacy.

The intergovernmental, by contrast, is a method of cooperation where national governments and not joint institutions are pre-eminent, as at the G8 or G20 summits.)

I have heard talk of this binary pattern, of good against evil, at the European Parliament and elsewhere.

In my opinion, it is a false argument. First of all, when decisions are taken that concern the foundations of a currency and which also involve extraordinary amounts of money, it is quite normal that responsibility for those decisions should be taken by a head of government. For the governments in difficulty, the very survival of their economy and their government was in the balance. Who else but Prime Minister Papandreou was to defend the austerity measures in Greece? Who else but Chancellor Merkel was to convince public opinion, which was partly hostile, that Greece should be helped? The European Council is the place where different sides can find common positions, i.e. European positions. We do this in close cooperation with the other institutions, the Commission (whose President is a member of the European Council), the Council of Ministers, the Bank, the Parliament; maintaining these contacts is in fact one of my main tasks. And the *Members* of the European Council, the 27 Presidents and Prime Ministers, must all in turn cooperate with national political players, their parliaments, etc. It is the combination of all these links that constitutes the strength of our Union.

Moreover, in the Greek crisis, it was the novelty of the situation that forced us to assume these responsibilities. We were in uncharted territory. We had to invent assistance mechanisms that did not exist. Furthermore, the European Treaty *forbids* Member States from taking on a partner's debts, and did not make provision for substantial Community instruments for the euro area countries. When you look for solutions outside the legal framework, the role of the European institutions naturally becomes secondary; they come back into play when the principle of embarking on the new approach is agreed. I understand that the European Parliament would like to have a greater say in the 750 billion safety net, the "Special Purpose Vehicle" created outside Community law. But since the amount falls ultimately on the shoulders of national taxpayers, I also understand that certain governments wished to involve their national parliament in the decision. Often the choice is not between the Community method and the intergovernmental method, but between a coordinated European position and nothing at all. (Besides, such coordination is often a first stage which leads on to more integrated measures.)

This does not mean that I do not understand certain anxieties. For me it is essential that all the institutions work together, that everyone has his role. The role of the European Council is to set the broad strategic guidelines; and sometimes to break the deadlock on particular points, no more than that. It is vital that the Commission be allowed to exercise its right of initiative, and that the Parliament and the Council of Ministers get involved. All the Union's energies and competences must be mobilised. It is the only way of moving forward together.

I now come to the third and final *political* lesson that I see confirmed by the Greek crisis. Europe has always advanced through two principles. I would call them the principle of transfer and the principle of participation. They are not contradictory. They both reinforce the Union as a whole. They have always coexisted. One cannot operate without the other.

The principle of transfer builds Europe by transferring elements of executive, legislative or judicial power *from* the national level *to* a new, European level. It is the basic idea on which the Union was founded. It is the basis for the creation of a Commission, a Parliament and the Court. Just after the Second World War, with the ECSC, this transfer principle had a clear political force. It is still valid. Its advantages are (moral) legitimacy and effective decision-making: no States arguing, no voting, one Europe. And great clarity. This is the risk of a "Brussels" outside the Member States, a lack of democratic legitimacy.

The principle of participation strengthens Europe by bringing national players, executive, legislative or judicial powers, within a common, binding framework. This idea underlies the creation of the Council of Ministers (as early as 1950!) and of the European Council (in 1974), but also the collective participation of national parliaments in European law-making (with the Treaty of Lisbon). Here the thinking is that Europe cannot be constructed in opposition to States, but that it must involve them collectively. The advantages of this principle of participation are (by contrast) that it allows decisions to be justified to the national public and the outside world. Its weaknesses: slow and complicated procedures, risks of deadlock, less clarity. But once a decision is taken, with the support of 27 countries, it is relatively strong.

A Europe built only on the transfer of national power to the European level might not have a solid basis. A Europe completely dependent on the permanent involvement of all the partners might fall apart. Both are needed. The participation of States gives joint decisions their justification. Shared interests, produced by the constraint of common rules and institutions, hold Europe together.

A close analysis of the functioning of our Union shows very clearly that these two principles have always coexisted within the so-called Community method – which moreover has changed a lot over time. (If only because the Council of Ministers is part of it).

Thus it is not surprising that Jean Monnet himself always recognised that the participation of States was indispensable. In 1950, he was convinced of the need to give national ministers a place in what was to become the Community, saying: "You're right, we have to bring these ministers in". Thus the Council of Ministers was born. It was this same principle, of "bringing them in", that applied a quarter of a century later to the prime ministers and presidents of our countries, with the creation of the European Council. Once again, Jean Monnet played a part in the genesis of this institution. He himself recounts in his *Mémoires* how, at the start of the 1970s, he laboured in Paris, Bonn, London and Brussels to persuade the heads of the national executives to play a larger role in the construction of Europe. In his thinking they would form a "provisional European government". Monnet was convinced that Europe as a whole would emerge from this strengthened.

## FOREIGN AFFAIRS

There then you have some secrets from our European tortoise, and how it can win against the hare. It is on its feet, particularly in the economic sphere.

I should like however to come on to the area of external policy. There our tortoise has more difficulty winning, the challenge is greater. The transfer principle comes up against obstacles, sensitivities: we cannot issue directives on our relations with the United States or Russia as we do on the quality of chocolate.

The principle of participation, which is certainly necessary in this area, sometimes takes too long. When you have to react to a humanitarian crisis somewhere in the world, you cannot always wait until the 27 have negotiated a response. The challenge in this sphere is a major one.

I have therefore decided, as the first President of the European Council, to tackle it anyway. Europe can no longer afford to be marginalised. We are 500 million Europeans, producing 22 percent of world GDP, and together we punch beneath our weight.

When I took office nine months ago, and visited our 27 capitals, I felt everywhere the frustration of the Copenhagen Summit. The feeling that we were excluded. The discovery that leading by example is not enough to carry the day, either in climate policy or, even more so, in other spheres. Admittedly, part of our relative failure in Copenhagen is down to the fact that it is more difficult to take people with you than to resist. In this sphere as in others, inertia is inevitably more appealing.

But there was also the realisation that the nature of globalisation is changing. That globalisation, long considered from an economic perspective (trade, investment, emerging economies) is also a matter of politics, of power. Moreover, the new world players do not always share our interests, nor our view of the world. That affects us. If we wish, as Europe, to defend our interests and our values, we have to be aware of this fact.

We are not starting from zero. The Union has well established external policies with extensive resources as regards the economic aspects and development. It has been active in the field of foreign and security policy for less time but is already a recognised player there too, and in demand in many theatres.

So the Union continues to provide development assistance (we are the largest donor in the world at 49 billion euro), to mount military operations and humanitarian missions – at present we have 13 crisis management missions in the world, spread over three continents. Our European gendarmes and judges are helping to consolidate the rule of law in Kosovo; our policemen are training their counterparts in Afghanistan and in the Palestinian Territories; our marines are intercepting pirates in the Indian Ocean. Without us, the Palestinian Authority could not survive; our assistance in different forms amounts to one billion euro.

We continue to show the citizens of the world the example of a democratic continent where human rights and the rule of law are firmly embedded. Europe remains the continent of human dignity and solidarity.

However, at the same time we need to reason and act more in terms of strategy and our interests. Our values will be more respected if they are backed up by firmness.

For me, this is the most important result of last week's European Council meeting. For the first time, the Heads of State and Government devoted a meeting to the subject of Europe's place in the new world. We concentrated on our relations with the Union's strategic partners, such as the United States, Russia and China. All our colleagues stressed that it was not enough to have messages, but that we must also have instruments, demand reciprocity, and translate all that into concrete progress. That also means: entering into a game of negotiations and give-and-take. For example, what does China want from us; under what conditions would it be acceptable, and what would we like to have in return? In this sphere, the Member States do not all have the same interests; it is futile to deny it. However, there are a substantial number of cards that we can only play together. If, for example, Russia wishes to obtain a change in visa policy for its citizens, it is impossible for a single Member State to promise this since (because of Schengen) we can do it only as 27.

This change of perspective will not come about from one day to the next. In part this is a matter of organisation (we have talked about this), in part it's a question of habit, of trust, and hence of time. However, today's globalised world has a real accelerating effect. In today's world, our minor internal differences are fading away.

During last week's European Council we translated our will into two decisions concerning Asia. First (and after three years' hesitation), a consensus was reached on the important Free Trade Agreement with South Korea; it will stimulate our economic relations with the whole region. Secondly, we showed our determination in the face of a humanitarian crisis, with trade measures to assist Pakistan which were not possible a few months ago.

I would add two other tangible achievements over the last few months, equally strategic in nature. Shortly before the summer, we managed to agree as 27 on additional sanctions against Iran – which was not easy at all. And two weeks ago the UN General Assembly passed a resolution supported by Serbia and the European Union inviting the Serbs and the Kosovars to enter into dialogue. This joint resolution (to which the High Representative devoted much effort) is a genuine success story, the final proof of our crucial stabilising role in the Western Balkans.

These are concrete breakthroughs on concrete problems. We have to advance step by step: provided we keep to our course, we will reach our goal!

When it comes to foreign policy, "our Europe" is not a single ship. But nor are we 27 separate ships. I prefer to compare the Union to a convoy. Imagine a convoy of 27 ships, negotiating the waves of the geopolitical ocean. 27 ships, each flying a national flag and the European flag, driven by a wind that sometimes separates them for a while, and sometimes pushes them in the same direction.

What you do not see, on the other hand, is that below the waterline the ships, like the 27 governments of the Union, are all linked, economically and monetarily. They cannot drift away from one another...

Last Thursday, this European convoy, piloted by the Heads of State and Government, applied itself actively to considering its strategic course.

Europe is creating itself day by day but not from day to day. The European vision for decades to come is enshrined in the Treaty of Lisbon. It opens up many vistas. It is a vast programme. It will have to be carried out in difficult political circumstances, in many Member States and in a cultural climate in which individualism counts for a great deal. But we must remain ambitious for our Europe, for its internal cohesion and its external presence, now and in the future.

It will be a task for me, as President of the European Council, and for more than one of my successors; there will be many players in our 27 capitals and in Brussels who will need to be involved, but I firmly believe that Our Europe will make a success of it!

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