

CENTREFORUM

London, 30 April 2008

Commissioner Olli Rehn

**Does the EU have to choose between
widening and deepening?**

My Lords, Ladies and
Gentlemen, dear friends,

It is a pleasure to be here this evening with such a distinguished audience. As liberals, we are used to being at the forefront of those advocating the extension of European values across the continent. But liberals have also been very active both in the EU's institutions and the Member States in constantly finding ways to improve the functioning of the Union.

My subject this evening is widening and deepening – a familiar one in the EU debate, but pertinent after the largest enlargements.

I remember well talking about it thirteen years ago, when I was an MEP and we had a discussion with a delegation from the House of Lords to the European Parliament. We were supposedly discussing the Inter-governmental Conference preparing the Treaty of Amsterdam. But it rapidly became apparent that their Lordships were talking about the IGC not in Amsterdam in 1996-97, but rather the IGC of 1950-51, which led to the Treaty of Paris and to the European Coal and Steel Community.

I can assure you there was no sign of weak memory when the Lords recalled the deeds – and especially misdeeds – of some 45 years before, blaming one other for keeping the UK out of that IGC and thus out of the nascent European project!



Deepening and widening: parallel & complementary

Hence, the debate about enlargement is already more than 50 years old. During that half-century, the EU has pursued deepening and widening most of the time in parallel. As new members joined, the EU continued to pursue deeper integration, often stimulated by new challenges raised by the new joiners, which required attention to new policy areas at EU level.

It is clear to any student of European history that enlargement has been part of the development of European integration right from the start. Let's remember the existential debate among the original six Member States, and the outside seven. Enlargement was a major item on the agenda in 1963, when President de Gaulle opposed the accession of the United Kingdom – and by the way, that was the same year he signed the Ankara Agreement with Turkey, which first opened the possibility of accession for Turkey.

Deepening and widening are not contradictory, but rather complementary. It is the combination of the two that has made the EU stronger and increased our leverage in the world economy and politics.

We founded the Single Market after the southern enlargement in the 1980s, and developed substantial cohesion and regional policies. We established the single currency after the Nordic and Austrian accessions in the 1990s, and saw important new developments in foreign and security policies.

Since the 2004 accessions, we have witnessed substantial growth in the area of justice, liberty and security, as well as the pursuit of economic competitiveness and socio-economic development through new methods of integration.

I know that the impact of enlargement on the labour market in the UK has caused considerable debate. Much-needed facts and data on this issue have been provided today by the publication of the Institute for Public Policy Research's study on "Floodgates or Turnstiles?". This is a serious and well-founded report giving evidence that many people from the new Member States have come to work in the UK; but half of them have already gone home again, and more will return in future thanks to high economic growth and falling unemployment in Central Europe.

Overall the economic consequences of enlargement have been positive, and so have been its effects on the Union's role in the world.

As a consequence of parallel deepening of integration and gradual widening, Europe is today much safer and more prosperous than it was when the integration process started. With 27 Member States and a population of close on 500 million, today's European Union is much stronger and more influential than the EEC 50 years ago with its 6 Member States and a population of less than 200 million..

No Institutional Gridlock

This conclusion is supported by recent work by Helen Wallace, who is not only an extraordinarily distinguished academic and notable Liberal Democrat, but also my special advisor, to my good fortune. She has done an important synthesis of the evidence since May 2004 which suggests that the EU institutional processes and practice have stood up rather robustly to the impact of enlargement to 25. Rather than gridlock, the picture is “business as usual”.

Part of this ‘success’ of adaptation is related to the long period of prior adjustment and learning experiences of the pre-accession period, including the establishment of ‘institutional capacity’ in candidate countries guided by the Commission. In fact, the new members have a better record of compliance with EU law on average than the old EU-15.

I’m glad to see that the evidence from academic studies confirms my own observations of the workings of the EU’s institutions from the inside. Enlargement has not resulted in gridlock. Mostly the institutions are functioning as before, albeit with shorter debates – which forces all of us to get to the point more quickly, in a more Nordic style of discussion and it suits me well at least!

But, there is certainly no room for complacency about the EU’s institutional inefficiencies and weaknesses. Even if enlargement is not the principal cause of them, it is true that enlargement increases the stresses and strains on a system that already needed an overhaul. I firmly believe that the EU needs the reforms contained in the Lisbon Treaty in order to address structural problems of many years’ standing.

External Policies

This is particularly the case in the EU’s external policies. I would like to see the EU continue to increase its role in the world. Indeed, the Union’s role is key to ensuring the development of a stable, multi-polar world that is not constantly pulled in one direction or another by competing poles.

To do this, the EU must develop its capacity to make more coherent foreign policies. We have an excellent opportunity to do so by improving the Union’s institutional architecture for external policy. The Lisbon Treaty contains important institutional innovations that will improve the coherence, efficiency and visibility of the EU’s external action. New provisions on a High Representative who chairs Council meetings and is also Vice-President of the Commission, he/she will be an asset to have a common external action service which supports the work of all of our institutions.

The Lisbon Treaty is also important for the changes that will make to internal policies. After all, the EU’s role in the world today – and I trust also tomorrow – rests essentially on our internal strength, i.e. on our internal policies. The single market, the euro and our progressive environmental policies testify to the fact

that the EU is a regulatory superpower, which gives us policy lead in many areas. To name the most recent examples, the chemicals legislation and the climate and energy package are paving the way towards successful global governance on these critical challenges.

Internal Strength

I'm sure that our external impact will, also in the future, essentially be based on our internal strength. But we are not using our internal competences with the maximum impact today. We should reinforce our capacity to act together in external economic policy. I am thinking, for instance, the external dimension of energy policy. This should be a priority of any future European security strategy.

Energy

In fact, energy could be as important as the Single Market project in the future European integration, but only if we manage to get a collective will for a common policy. The EU Member States are not far apart on the goals – on securing supply, reducing carbon emissions and ensuring sustainable energy policies – but still too distant on means.

Ladies and gentlemen, let me conclude by coming back to basics. The idea at the heart of the European project is a simple one: create institutions and rules within which countries can conduct their business more effectively than through bullying and war-mongering – and other countries will seek to do the same. The success of European integration has stimulated the creation of many other regional projects, such as ASEAN and Mercosur. In my view, the EU's creation of a rules-based framework that is respected worldwide also makes Europe a global actor.

In the area under my responsibility, enlargement, the EU has successfully used its membership conditionality to export its economic and political models to post-communist Europe. History will show this to be the most successful example of long-lasting regime change ever. After nearly four years as Enlargement Commissioner, I firmly believe that the Union can and should continue both to widen and to deepen successfully.

Thank you for your attention and I look forward to our discussion.