

**“Slovenia 2030 – European dimension of the future of Slovenia”,
Contribution of Mr. Martin Schulz, President of the European
Parliament**

Europe: an ideal, a project, a commitment

I greatly welcome President Pahor's initiative to include Europe in the debate about the future of Slovenia and I am honoured to be able to contribute to this debate.

Examining the future cannot be an exercise disentangled from a sober look at our past. This must be a moment to reflect on the road we have travelled, at which juncture we are, and which path lies ahead of us. This will develop our understanding of how Europe has changed and how Slovenia has changed with it.

The recent past which is always a tricky land to explore: somewhere in between history and the present. The interpretation of events always changes according to who will be looking at the subject and with which lens.

A lawyer would tell you that the last decades in Europe have been marked by constitutional soul-searching with its almost continuous rounds of treaty change from Maastricht to Lisbon, going through Amsterdam and Nice, and a failed constitutional attempt in between. This lawyer would rightly tell you that this "constitutional restlessness" is not over.

An economist instead would talk to you about the benefits and problems of the euro, about low inflation and the insufficient level of economic integration. He would talk about the strengths and weaknesses of the single market, about the stability and growth pact, about its preventive and its corrective arms, about economic governance and financial integration. Most importantly, the economist would talk about the roots of the current crisis and our inability to put it swiftly behind us.

A diplomat would probably praise Europe's force of attraction. After Spain and Portugal joined the European Union in 1986, we had four other rounds of enlargements in 1995, 2004, 2007 and the last one, this year, with the entry of Croatia. In the last 27 years we grew from 12 members to 28. But our Common Foreign and Security Policy remains underdeveloped and we punch below our weight. We have at times failed to show the unity which was needed to save lives and to avoid wars: as Slovenia knows all too well, this was the case of Europe's failed leadership in the Balkans. We have also failed to show strategic thinking: take for example the Arab Spring and our insufficient response to help countries restore their economies in the wake of democratic movements which had toppled longstanding dictators. The world wants and needs a European foreign policy: whether you look at our development policy in Africa or our enlargement and neighbourhood policy,

Europe has shown how it can influence world events for the better when it stands united.

This look on our past needs to be accompanied by a similar glance at our more distant future, not only of Europe, but of the whole world. My predictions are as follows:

- in 2050 neither Italy nor Germany will be a G8 country any longer, and no other EU Member State will still be a G8 country;

in 2050 the trinity of China, the USA and India will dominate the world economy – and, quite possibly, world politics as well;

in 2050 the EU-28 will account for roughly 5 % of the world population, which will have grown to more than 9 billion.

The balance of power is already shifting. The world is becoming ever more multi-polar, the era of the hegemony of an unchallenged superpower is over and we are witnessing, to some extent, the rise of what used to be known as the newly-industrialising countries – with China, India and Brazil in the vanguard.

We must recognise that the era of Western dominance is coming to an end, and that a new world order is taking shape, a world order whose ultimate form is not yet clear, and whose dominant power, if indeed it is to have one, has not yet emerged.

For us Europeans the question now is how we are going to respond to these developments. In a world changing at bewildering speed, how can we safeguard our prosperity, our security and, above all, our social model?

We, Europeans face the following questions: what role do we want to play in the 21st century? How do we want to safeguard our interests and shape globalisation in accordance with our values? How do we want to address the new challenges facing us, such as climate change, international terrorism, cross-border crime and migration?

We are faced with a choice: do we want to deal with the other world regions as a disunited and fragmented continent, as individual countries, say the United Kingdom, France, Luxembourg, Poland, Slovenia or Germany? Do we really think that as individual countries we are in any position to negotiate agreements with China and the USA?

We, Europeans must decide whether we want to be a ‘pole’ in the new, multi-polar world. We tend to assume that we already are one. We are wrong to do so, however, and unless we take a conscious decision to change, we will never become one.

Six decades ago, the European Union was founded on the basis of an acknowledgement that, if we want to survive, we Europeans must learn to live and act together; an acknowledgement of the fact that our interests can

no longer be separated from those of our neighbours. Sixty years later, in a globalised world, this idea is even more valid than ever.

By pooling the power and resources of 28 nation states and 507 million people – together we make up the most prosperous internal market and the largest trading bloc in the world – we can win back the power to shape policy-making, thereby strengthening our position vis-à-vis transnational undertakings and other world regions in intercontinental competition. This is a power which nation states have long since lost.

To give some practical examples, when it comes to combating tax evasion by global concerns, regulating financial markets or negotiating a free trade agreement with the USA, if we act together then we start from a much stronger position.

The idea of Europe, the idea that States and peoples should work together in joint institutions which transcend borders because they know that alone they can no longer meet the major challenges facing us – this idea of Europe is now conventional wisdom.

The esteemed film director Wim Wenders whose work I greatly respect summed up perfectly the way millions of people instinctively feel about today's Europe. He said that the idea I am expounding may be conventional wisdom, but what was once an idea has turned into a bureaucracy. Today, many people equate the bureaucracy with the original European idea.

But should we now give up on the idea of Europe, or seek to change the form of what is now seen as a bureaucracy? I am in favour of the latter option.

I should now like to outline three ways in which the EU must change, and there can be no doubt that we must change and reform the EU if we want to safeguard it.

Firstly, the EU needs a new division of tasks. This does not call for a revision of the Treaties, which in my view would amount to opening up Pandora's Box. Applying the subsidiarity principle will suffice.

The EU should not seek to do everything, the EU should concentrate on things it can do better than the nation state. Everything which can be done better at local level must be done at local level. Everything which can be done better at regional level must be done at regional level. And everything which can be done better at national level must be done at national level.

The subsidiarity principle and European added value are two sides of the same coin. The EU should act in those cases – and only in those cases – where concerted action generates added value for the people of Europe. I want an EU which focuses on the challenges of the 21st century: climate change, trade relations, measures to combat tax evasion and hunger in the

world. Where necessary and worthwhile, it should also be possible to delegate powers back to the nation State.

Secondly, we must continue to democratise the EU.

Regrettably, the transfer of sovereignty from national to European level which we have been engaged in for decades has not been accompanied by a corresponding transfer of the principle of the separation of powers. We take elements of national sovereignty and insert them into an inappropriate framework.

People do not understand this Europe with its confusing institutional structure and jumble of competences. To many, the EU is an anonymous, opaque construction which, while taking decisions which affect their lives, mostly acts behind closed doors, with the outcome that in the end no one knows who has taken what decisions when, where and why.

Not only is the EU's architecture impenetrable and incompatible with the principle of the separation of powers which is essential to our concept of democracy: in recent years, we have witnessed a creeping process of de-parliamentarisation. The European Council, of all bodies, meets – as in the days of the Congress of Vienna – behind closed doors, confuses the sum of 28 particular national interests with the European common good, which ought to be maximised, and increasingly interferes with the details of legislation, flying in the face of the rules.

Upon their arrival back in Paris, Berlin, Warsaw and Madrid, prime ministers and heads of state then present themselves to the cameras as leaders of their national governments again and either sell what has been decided as a great victory for themselves or else express themselves horrified at what 'that lot in Brussels' have decided once again. The principle is 'all good things emanate from the capitals, but anything undesirable comes from Brussels'.

The capacity to take decisions quickly at European level – for example during the financial crisis – urgently needs to be reconciled with the democratic powers of parliaments, for example on budgetary issues. That is one of the most important tasks which will face us in the years ahead.

It is true that we in the European Parliament have acquired more and more rights. Above all, we have fought to acquire them, just as the national parliaments did in the past. Recently, we have managed to gain important powers of scrutiny over the European Central Bank, with regard to banking supervision. After all, somebody needs to scrutinise the scrutineers!

The battle which we in the European Parliament are currently fighting alongside our counterparts in the national parliaments has the aim of securing democratic participation, scrutiny and accountability for the new economic-policy coordination. We also want the Troika to be accountable to the European Parliament. It is unacceptable that the Troika, acting as an

anonymous power, should negotiate tough programmes with national governments and then not have to account to anybody without sufficient democratic parliamentary scrutiny.

During my term of office, the European Parliament has increasingly become a forum for debate about European policies. The heads of government – from Prime Minister Orbán to Chancellor Merkel – appear before us to account for their actions.

Even so, we still have not reached a point at which I could say that the existing arrangements adequately reflect our Western concept of democracy.

There will be a quantum leap for European democracy after the next European elections in May 2014. Then the European Parliament will directly elect the next President of the Commission. The European political alliances will nominate candidates for the post. There will therefore be a genuine election campaign to which faces can be put, accompanied by political conflict and debate. Each candidate will put forward his or her programme and defend it. Then the citizens will have a genuine choice among genuine alternatives. Democracies thrive on alternatives.

The Commission will thus possess fuller democratic legitimacy and will be able to develop into a body which provides genuine economic governance.

Then people will be better enabled to understand who is taking the decisions in Europe – where, on what basis and why. That is a good thing, because transparency builds confidence.

Finally, we want to be proud of the EU again. And we want to say good things about the EU again! Debates about the EU can be quite worrying when one sees what intense pessimism and apocalyptic visions which are sometimes expressed. When one considers that the EU has spent decades on the brink of a precipice, it is actually functioning pretty well. Yet there are no guarantees that the EU will last forever.

It is often claimed that the European Union is irreversible, that there is no alternative to it. That is of course not true. We are not living in a period beyond the ‘end of history’, as proposed by Francis Fukuyama. It is dangerous to assume that the status quo is guaranteed to us in perpetuity. Peace, the rule of law and democracy cannot be taken for granted permanently.

We should therefore ask ourselves – and this is a question which particularly concerns the young people– whether we can preserve what we have built up in Europe for future generations.

The alternative to the EU is renationalisation. Anyone who espouses that prospect blights the prospects of the next generation. Renationalisation

would mean a loss of global political influence and accepting lower levels of prosperity and security.

Our future and that of our children ought to make it worthwhile for us to reform the European Union – because, in order to face the challenges of the 21st century, we need to be capable of action – which in many cases is now only possible thanks to the transfer of sovereign powers to the transnational level – and at the same time we need to ensure that this transnational level is democratic.

The EU may well have many problems, but I firmly believe that any alternative to the EU based on renationalisation would be much worse.

Martin Schulz