

Jacques Delors, The Single Act and Europe: a moment of truth

Caption: On 21 November 1986, the occasion of the 10th anniversary of the European University Institute (EUI) in Florence, Jacques Delors, President of the European Commission, reflects on the implications for Europe of the implementation of the Single European Act (SEA).

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The Single Act and Europe: a moment of truth

Ladies and gentlemen,

All too often the debate on European integration vacillates between political incantation and a pragmatism which lacks perspective. But there is, after all, nothing surprising in that. The Community has, in historical terms, grown extremely quickly, going from six to 12 Member States in a mere 13 years; and several different concepts of Europe have sought and are seeking to coexist within it. At one end of the range of concepts are those States that favour institutional or indeed political projects designed to ensure the qualitative leap dear to the heart of all staunch Europeans including, I am bound to confess, myself. At the other are those who, whether out of realism or for ideological reasons, hold firm to a purely utilitarian vision of Europe, to what is customarily called 'economic integration', albeit — and I say this for objectivity's sake — with a certain political extension. Our task, modest though it may be, must be to overcome and go beyond this underlying contradiction by advocating perseverance and tenacious action combined with political ambition. This is the challenge facing us in times ahead, the opportunity offered by the forthcoming entry into force of the Single Act. I more than anyone am aware of the failings of the reform of the Treaties of Rome. I share the disappointment that it brought after the hopes that had been raised, especially by Parliament's project for political union, advanced with such determination by Altiero Spinelli. But today we must do everything to ensure that the potential of the Single Act is realized and that we respond to the needs and challenges of the modern era, without overlooking the all too often neglected aspirations of the citizens of Europe.

This was the starting point for the search for the revitalization required to mobilize these aspirations, meet these needs and satisfy these new desires. I intend to show how the decisions taken fit in with the process of European revitalization.

The expectations, not all of which fall within Europe's powers, revolve around the triad of economy, technology and defence. The economy, obviously, so that we may rediscover the road to prosperity and employment; but as part of a broad plan for society which unites Europeans in their pluralism, and enables them to preserve their identity; here again we find the cultural and the educational aspects.

The second theme is technology, so that Europe, in the bitter struggle now being waged, may regain its rightful place and keep control over its destiny, which today, as you will agree, is by no means secure.

Finally, defence. We need only recall the recent events at Reykjavik to see that, unless Europe can stir herself, our security may well come under threat in the future.

These are the three essential keys to European revitalization. I could of course have picked out any one of them, but the fact is that the Single Act relates mainly to economics and to technology. If Europe could demonstrate that the combination of its policies and its economic forces is a key factor in reviving the economy and restoring full employment, would it not gain universal approval? We should remember that this is precisely what the Commission has proposed to the Council of Ministers, in both its short-term and long-term, structural, aspects. For the short term, without entering into economic details which would be out of place here, we have the cooperative strategy for employment-related growth, recently supported, and I would stress this, by a joint declaration at European level made by the employers and the unions. You will of course be familiar with the aim of this strategy: the point is not to ignore the need for stringent measures, but for each Member State to make use of its room for manoeuvre, with regard to interest rates and fiscal policy in particular, so that we can reduce unemployment by 30% within five years. This is no idle dream, but something which has been demonstrated: our plan is to underpin this strategy with measures relating to employment policy, with particular reference to long-term unemployment. This is the thrust of the proposals which I made to the European Council in The Hague and which — I hope — will be adopted in the form of practical guidelines by the next European Council, to be held in London at the beginning of December. Because, while unemployment, as you know, is showing signs of levelling out in Europe, the number of long-term unemployed continues to grow and is a major source of what has become known as 'new poverty'.

If Europe cannot do all it would like in this area, let it at least provide an example of relevant, effective action.

Let us now come to the long term. The proof that no longer has to be given is that of the achievement of a large European economic and financial area, offering a market larger than that open to our American and Asian competitors. The very prospect of this large market without frontiers is already having a stimulating effect and encouraging exchanges and cooperation between firms. We must not let them down. You will recall how, in the early days, all the Community countries benefited from the elimination of customs duties between them, and increased their trade fivefold. Since the 1970s, however, trade has levelled off in relation to national wealth. The removal of the physical, technical and tax barriers which divide up markets and make Europe a collection of feudal economic systems will provide a powerful boost to our competitiveness and our development.

Concomitantly, the free movement of capital will play a major role in the convergence and integration of our economies, through a better allocation of resources and an expansion in risk capital. There is, though some Member States are not convinced of this, a dialectic relationship between monetary cooperation and economic cooperation. I would simply say that in this area of liberalization of capital movements, which is part of the process of completing the large market, a significant step was taken last Monday, as the Italian press in particular has not failed to note. In five months we have adopted measures of major importance for the development of our financial markets. When we recall that some countries made liberalization a precondition for strengthening the European Monetary System and promoting the ECU, we can see that the progress made this week opens up new horizons. I would emphasize again that this was achieved in record time: five months between the tabling of the directive and its adoption. Rather a slap in the face, as you will agree, for those who accuse the Community of bureaucracy. All the same, the liberalization of capital movements does not yet mean that we have a European currency. That will not become reality tomorrow or the day after; but it is part of the European dream, and, if I am to go by the number of articles in the press, it is the most popular European topic. The currency area, a precondition for a European currency, and the financial area, are within our grasp, but will achieve their full impact only if the Member States increase their monetary cooperation. That is our target for next year. If cooperation in this sphere is improved, the ECU will also gain in strength and will become a reserve currency. Europe will finally be responding to the demands from all quarters for it to play its part in international affairs and take its share of responsibility. Here I find echoed the ideas I, and others, have been supporting, for a long time now, advocating a world monetary system that will be stabler and more efficient for being based on several reserve currencies including the ECU. When the wheels of success are turning they must not be stopped for a single moment.

But the ultimate purpose of this area without frontiers we are trying to create is to bring Europeans together by allowing them freedom of movement and giving them the opportunity to work and be creative together, not only in the economic sphere. Our efforts on that front would not be worthwhile without the enrichment which will spring from the exchange of cultures and the feeling of belonging to a larger whole, without loss of national identity. We are already seeking to promote this, even though education and culture are not formally included in the Treaties of Rome.

We are seeking to promote it. not, I would emphasize, in order to encroach on other priorities, but in the interests of a people's Europe, as reaffirmed by the Heads of State or Government. Unless we wish to disregard what our Heads of State or Government say, what we have to do is apply these programmes without spending hours and hours discussing in petty-fogging fashion institutional questions or amounts that are trivial by comparison with the goal being aimed at. This is the task we have been assigned by our Heads of State or Government: to enable tens of thousands of young people to study or train for a time in a university or a firm in another Member State. These initiatives will complement the schemes already implemented on a bilateral basis by several Member States and by various regions and *Länder*. That is what we want to create: a people's Europe.

The Commission is not engaging in some institutional dogfight. We are not, legally or in virtue of our powers, competitors, and we take what our Heads of State or Government say seriously.

But I would remind you of Article 128 of the Treaty of Rome, which provides for general principles to be laid down for implementing a common vocational training policy, which should be of interest both to universities and to business. This European vocational training policy, provided for in the Treaty, would be inspired by the schemes that have already been successfully launched in a number of countries; it would help combat unemployment and contribute to the overhaul our education systems need, so that everyone can learn the value of learning throughout life and possess both the knowledge and the competence, to cope with private and professional problems and to adapt to a rapidly changing world. To this end I am proposing that each European should have the right to continuing education in a form adapted to the legislative traditions and customs of each country; but let us not leave Article 128 too long in abeyance.

In the same spirit, I would also like to propose that, starting in primary school, another European language be taught throughout the Community. This is already done successfully in some Member States. The prospect of an area without frontiers, with more and more television channels and information networks, means that we must exploit our linguistic potential in order to promote communication, exchanges and common projects and foster our cultural development. And to do this we need to be able to understand each other and talk to each other.

Finally, taking advantage of the fact that the Education Ministers have been so kind as to attend this 10th anniversary ceremony, I wish to make a third proposal. I would like to plead the case for an approach to teaching European history which, without glossing over the mistakes and playing down the tragedies of the past, brings to light the factors which created the sense of continuity which binds Europeans together today. You may know that we have supported the production of a European history textbook, under the guidance of Professor Duroselle and a committee of top-level European historians. I would like to take this opportunity to announce officially that the book will be available for the beginning of the 1987 school year. I hope that the Ministers for Education will welcome this European book as a further means, to be used alongside the traditional history books, of putting the past into perspective — an essential exercise, to my mind.

Our goal, then, ladies and gentlemen, is to work together to meet these challenges, within a large area embracing different, but neighbouring, cultures which form part of a single family sharing the same consciousness and the same vision of society, and to base our development on the exchange of ideas and cultures. In a number of areas a start has already been made on responding to and working out this vision. And that fact should allow me now to say a few words, though only a few, on technology and then on defence.

In the field of technology, our task is particularly challenging and immediate. It is becoming clear that, although European firms are holding their own in low-growth industries, they play a secondary role in the advanced-technology industries, with the possible exception of telecommunications. In this last connection my thoughts inevitably turn to the major issue at stake at the moment, which unfortunately is being held back by over-tender susceptibilities and self-assertive bureaucracies. I have referred to technology as one of the major preoccupations of our citizens for two reasons. First, because the opinion polls tell us that Europeans place mastery of these new technologies at the top of their list of priorities for Europe, given that the competitiveness of two-thirds of the economy, and over half of our workforce, depend upon them. Second, because I want to tell you about the success of the initiatives we have launched with firms, universities and research centres. This is one of the great merits of Esprit, to mention a Community programme; but it is also the credit of Government centres that they have brought home to European firms the fact that it is both necessary and beneficial for them to work together on joint projects, as they are doing more and more. Here again expectations have been raised which Europe must not disappoint. This is an essential factor in restoring growth and full employment. As I have put the emphasis in this lecture on pragmatism and practicality, I would like, as President of the Commission, to say that I expect the Council to approve the reasonable, but vital, programme that we have proposed for the coming five years. In proposing this programme we have not been raising the ante, we are not playing poker with Europe; we expect the ministers to respond in the same spirit. This will be the first test of the willingness to apply the Single Act, and the Commission for its part will monitor events closely.

In conclusion, I wish briefly to mention defence; I was tempted initially to speak on that topic alone. In this troubled and disquieting era of non-war marred by terrorism, I feel that defence must occupy our thoughts. I know that here I am clearly going beyond the competence of my institution; the subject is still more or less taboo, and was, as you know, brought up unsuccessfully within the Western European Union. Nevertheless the European defence issue has become current again, if we think of the upheaval that implementation of the American SDI programme would mean, or if for a moment we ponder what might have been, or might be yet, the conclusions of the talks between President Reagan and Mr Gorbachev. Faced with these events, even if we have no competence in strategic matters, Europeans inevitably wonder about Europe's role in this debate between the superpowers, a debate which concerns us and raises a question mark against the future of our children and our grandchildren. I would put it to you that the question is slantingly simple and that you have no choice but to answer it: do we Europeans have the will to defend our independence and our freedom against all comers? Are we cultivating among us the civic spirit, the spirit of defence, without which nothing is possible? Are we willing, whatever the sacrifices and whatever the choices, to equip ourselves with the means to lend our will the necessary credibility and force? Never, ladies and gentlemen, have our consciences and our political will been so urgently confronted with this question, so rarely considered. I would ask everyone to ponder this topic. If we have a sense of solidarity we cannot ignore this question, and we must think of it also in the context of technological cooperation.

These are the keys to what has been called the revitalization of Europe; these are the dreadful tasks awaiting us, for the question of defence, make no mistake about it, is dreadful.

I would like to come back now, in connection with what has been decided, to Europe's potential, to the major objectives that fall immediately within our sphere of competence. These are officially enshrined in the Single Act, which includes a number of provisions aimed at improving the decision-making process and making it more democratic by involving the European Parliament to a greater extent. This reform of the Treaty of Rome, the first of such importance, is set to become the economic and social cornerstone of European revival after years of stagnation. All these objectives are inextricably linked: the large market, technological cooperation, strengthening the European monetary system, economic and social cohesion and the social aspects of collective action.

The process for which they provide will be assisted by some accelerating factors, but will also no doubt meet a number of obstacles, which can only be overcome by means of vigilance and determination on the part of the European institutions, the Commission, Parliament and public opinion.

Let us be optimistic and start with these accelerating factors.

First among them is the very powerful internal momentum set up by the process of creating an area without frontiers. The creation of the large market is to some extent an application of the domino theory in that the removal of one barrier leads to the removal of another and so on. I would mention above all the commitment to that goal by business managers; Max Kohnstamm, who is here, could tell you that when the Treaty of Rome was being discussed, business managers were hardly among its greatest supporters. Today they have become so, and why? Because they are anxious to see the establishment of this large market, which tomorrow will form the natural context for their activities, increasing their potential resources and opening new outlets for them.

The trade union movement also supports this aim. In 1985 the European Trade Union Confederation made it one of its prime objectives, alongside, naturally enough, the creation of a European social area, within which the trade unions expect to see the spread of better systems for protecting workers and improving working conditions. Bosses and unions are today stauncher supporters of European revitalization than politicians: strange but true. This is why the social dialogue which I set in motion on taking office, and which is already bearing fruit, is of such importance, and is actually referred to in the Single Act. We dare not let our producers, whether they be employers or wage-earners, down. We will lose all credibility if decisive steps are not taken towards completing the large market. Should this happen it would mean, in the context of an increasingly interdependent world economy, that firms would no longer regard the European dimension as part of their strategy. European integration would lose its driving force and one of its objectives, namely

economic and social progress.

This leads me to what, as you know, I personally see as another test of our credibility: by the end of 1987 (in less than a year, in other words), we must have made progress in five key areas — the liberalization of capital movements, the opening up of public procurement, the adoption of common standards, the strengthening of technological cooperation and the social dialogue. The Member States have to realize that time is pressing on: Europe is again advancing, but history, alas, is moving faster! Europe must be aware of this. For this revitalization I have been talking about to become a reality, we must have institutions that work better and are less bureaucratic.

Let us be clear about this bureaucracy they keep harping on about! Bureaucracy starts when the 12 Member States take a decision and the 12 officials responsible for implementing it produce more and more obstacles. But that is the daily bread of the Community at present. Bureaucracy prevails when the Council has projects on the table for 10 years, or indeed for five, that it refuses to discuss. It is obstructive tactics of this kind, then, which had to be attacked. The need for better decision-making and more effective action was central to the Commission's proposals to the Intergovernmental Conference which were, unfortunately, only partially adopted. Nevertheless, the Single Act has an important contribution to make in this area, since two-thirds of the decisions concerning its centrepiece, the large market without frontiers, can, once unanimous agreement has been reached on the broad outlines, be taken by a qualified majority in the Council, as can decisions on the sectoral technology programmes, social issues and structural policies.

The impetus is in any case already there; even before the Single Act has come into effect, there is already more majority voting in the Council. That is why the Single Act reflects Europe's potential. The Single Act is our moment of truth, a moment of truth for Europe, both for the functioning of its institutions and for the direction we wish to give to Europe as a whole. There is no point in dreaming about anything else until, through our daily efforts, we can prove that we are taking this first step.

We have all the trump cards we need if we are to realize Europe's potential and achieve our highest political objectives. But the game is not yet over. It has not yet been won. Let me finish by emphasizing how crucial 1987 will be for Europe. Our concern will be to initiate the process leading to the achievement of the objectives of the Single Act. But if the process is to be got off to a good start and our aims are to be achieved, a number of well-defined conditions must first be met: political will from the Member States, an increased role for the European Parliament and implementing powers for the Commission. First comes the political will of the Member States. Easy enough to say, you may think; that is true, but I would repeat that the Single Act allows us to decide by majority instead of unanimity in a number of cases. But, of course, the Member States cannot be forced into this, and it is a question of both political will and procedural technique. In this context I feel that we must, alas, go into details, and that it will unfortunately also be necessary to think about the Council's internal rules of procedure. This may appear to be of secondary importance, but if the Council's rules made the use of the voting procedure automatic, that might be a way out of the bureaucracy I talked about earlier, and out of the graveyard of unimplemented resolutions which is the final resting place of so many communiqués from European summits and Commission proposals. We shall be able to judge the political will of Member States on the basis of this reform of the Council's rules of procedure.

Second comes an increased role for European representatives, specifically the European Parliament, in the legislative process. As you know, the election of the European Parliament by universal suffrage raised great hopes. In reality, however, Parliament has failed to make its mark in the preparation of legislative instruments. On the other hand, it does play its role in public debating, and often excels at it; it acts as our conscience, and provides a vital forum. But it has still to play its full part in the preparation of legislative instruments, in the process of building a Community based on the rule of law. For this reason the Single Act provides for a so-called cooperation procedure that will enable Parliament, in the course of two readings, to have a say in the most important areas involved in the creation of such a Community. I must admit that we are expecting a great deal from this relaunching of cooperation with the European Parliament. And I can assure you that the Commission will spare no efforts to enable Parliament to seize this opportunity to carve out a role for itself as an essential and effective partner in securing European integration.

Without the necessary political will, without an increased role for the European Parliament, but also without implementing powers for the Commission, nothing will be possible, in spite of Europe's potential. Our aim, then, is improved decision-making but also effective action. The Commission has the necessary implementing powers, or rather should have them. As someone who felt he knew the Community, I was surprised to observe that even after the Council had taken the requisite decision, the Commission still had to go through something of an assault course to ensure that the decision taken was actually implemented. This is what is at stake in the present confrontation, which at the moment is amicable but firm but might become a head-on clash between the Council and the Commission. The Commission cannot yield on the powers it must be given to do its duty, that is, to implement decisions in accordance with the spirit and the letter of the Single Act.

I have given you an outline, ladies and gentlemen, of what must be done and how. As I have told you, I see four types of problems after these themes of hope. One is the tension between the north and the south of Europe, which is being talked about far too much at the moment. It is best to speak frankly: that tension does have some positive effects, and the arrival of Greece, Spain and Portugal has many. But it has to be said that it also has adverse effects. To take one example, if three or four countries want to cooperate in some area or other of research, for example biotechnology, there is no need for countries not taking part in the project to call immediately for financial compensation. That would soon bring everything to a standstill! On another level, the more competitive countries would be greatly mistaken if they thought they could have the large market without paying the price of cohesion. Is the price merely to be paid from the budget? No, what is needed is Community spirit, otherwise the Europe of Twelve will fall apart. We must therefore prevent incidents such as these through our resolute commitment to both economic and social cohesion in the Community.

A second possible obstacle is what I shall call, to use a very French expression, the temptation to use mathematical averages. That calls for some explanation. What I mean is that Europe is a sort of flotilla: some go faster, others slower. Believe you me, if the point of convergence is taken at the middle of the convoy, then there will be no progress, no Europe, no agreement. For instance, one cannot expect the Germans and the Danes to accept standards of living conditions, working conditions and social security which fall short of those they enjoy today. That would be absurd. What is the sense of creating Europe if it can make no progress?

The third difficulty is applying what is known as differentiation. This unprepossessing term means that in some areas we shall have to accept progress in a group of four, five or six and let the others catch up later. The Community's dynamism must not be killed off at the embryo stage. We shall see whether the countries which, as is normal, pursue rigorous budgetary policies, will be able to give Europe, at the age of 30, the means to become adult. That is why, if we really want to move towards European union, to go on speaking of a Community and not merely a free trade area, it is important to reach agreement on the criteria for measures to be taken at Community level which are more than the sum of national measures.

There are five such criteria which I shall list briefly. Firstly, giving effect to the decisions taken and enforcing the rules of the game; that is what is meant by a Community based on the rules of law. Secondly, strengthening cooperation among the Member States and also adapting the common agricultural policy, which is cooperation at its best, to the needs of modern society, without departing from its fundamental principles. Thirdly — and we are at present suffering from the lack of this — speaking with one voice in the world and acting together on the international arena, in order not only to defend our legitimate interests but to respond to the demands being made of Europe from all quarters, from Africa, Latin America and Asia, and to further peace, freedom and justice. Are we in Europe to be the last to believe in Europe? Every one of you, when you go outside Europe, will find that we are being asked to act, to speak, to intervene, and to help to restore order in the world.

The fourth critical objective is to support regional development by means of integrated programmes, grants to infrastructure projects, training measures such as I have already mentioned and technical assistance to the labour market. Finally, the fifth criterion for Community action is the encouragement of innovation, and the

dissemination, as part of this action, of successful experiment.

The reason why I have mentioned these criteria is that they will form the basis for proposals the Commission will be making at the end of this year to ensure the success of Europe's 'grand rendez-vous'. The Community is in fact facing a choice between three possible scenarios for the large market, the key element in our strategies. A choice must be made between a large market in name only where different arrangements and requirements exist in the various countries and from which our economies as a whole would not benefit, or a free trade area which is not regulated, and is subject to divergent economic policies and, I might add, has no conscience, no soul, no political will, or else finally, a true economic area which is in touch with reality and genuinely united, so that it can unleash the energy required to make our economic policies converge and lead us towards European union. The third option is the only one that is in keeping with the spirit of the Single Act, the only one worthy of what is expected of us; it is our battle standard.

This, then, is the three-point formula for next year's 'grand rendez-vous': the Single Act, the harmonization of Community policies and instruments, and the political will of the European institutions — all of them. Speaking for the Commission (and I am happy to see my colleague Mr Ripa di Meana here today for this 10th anniversary) we are fully committed. We have staked our honour on realizing Europe's potential, and thus lending impetus to the political plans which reflect our deepest conviction. In doing this we are paying a well-deserved tribute to those eminent champions of a united Europe who today are calling upon us to act with greater determination. Those who created this vision of Europe to which we aspire, ladies and gentlemen, are now urging us to remain true to them by taking action where action is possible.

Thank you.