

## Address given by Romano Prodi on the reform of the Community institutions (Strasbourg, 3 October 2000)

**Caption:** On 3 October 2000, in Strasbourg, in the run-up to the Biarritz European Council on 13 and 14 October, Romano Prodi, President of the European Commission, argues in the European Parliament in favour of the Community method, underlining the importance of the summit in preparing for the forthcoming enlargement of the European Union and for the reform of the Community institutions initiated at the Intergovernmental Conference (IGC).

**Source:** RAPID. The Press and Communication Service of the European Commission. [ON-LINE]. [Brussels]: European Commission, [20.05.2005]. SPPECH/00/352. Available on <http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/00/352&format=HTML&aged=1&language=EN&guiLanguage=fr>.

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## Address given by Romano Prodi (Strasbourg, 3 October 2000)

Madam President, Members of the European Parliament,

The Biarritz Summit will be decisive, for it is here that we will have to tackle issues of fundamental importance for enlargement and for institutional reform.

### Enlargement

We have embarked on an enlargement process whose ambitious and inspiring goal is to forge the unity of the whole continent of Europe.

This is a process the Commission intends to pursue right through to its conclusion, exactly as it was mandated to do, conducting the negotiations objectively and rigorously, country by country.

Rigour and objectivity are essential if we are to secure the public support that is indispensable both in the candidate countries and in those countries that are already members of the Union.

The time has therefore come for some extra impetus over and above the efforts of the negotiators: we must now explain and persuade.

There is an acute need in the Member States of the Union for a debate to explain the full significance of this extraordinary passage we are writing in the history books by rebuilding a united Europe. And at the same time to convey the potential benefits to be gained from the creation of a market of 500 million consumers.

The new democracies, for their part, are making enormous, profound and unprecedented efforts to adapt their political and economic systems to the Community situation.

Yet there are equally clear signs in the candidate countries of growing concern about the lack of a clear and binding timetable for accession. We must respond to their efforts and their worries.

### Institutional reform

Before enlargement can go ahead, we must implement the necessary reform of the Community institutions.

Without the requisite institutional changes, the prospect of almost doubling the number of Member States will pose formidable problems for effective decision making. Failure to introduce such changes could throw the Union into crisis.

This is the task facing the Biarritz Summit and, later, the summit in Nice.

If a Treaty of Nice that satisfied all the criteria I have spoken of were adopted in December, allowing time for national ratification procedures the Union could be ready for enlargement at the beginning of 2003.

The issues are well documented, as is the Commission's position.

We need to simplify the mechanism for closer cooperation, at the same time leaving the door open to those Member States that wish to participate. The coherence of the *acquis communautaire* and the uniformity of the judicial framework must be preserved. Closer cooperation should be an inclusive, not an exclusive, instrument, but no one should prevent a group of Member States from achieving the closer union to which the Treaties explicitly refer and which should be properly regulated within the framework of the Union's institutions.

We need to cushion the impact of increased membership on the workings of the institutions: to ensure a Commission that can continue to operate under a system of collective responsibility, and a Council where the reweighting of votes makes it possible to adopt decisions which have the support of a majority of Member States representing a majority of the population.

We need to reform the Community court system.

And finally, but to my mind most importantly, we need to limit the scope for using the veto and restrict to the absolute minimum the decisions that require unanimity.

These reforms are simply the minimum changes necessary – and I repeat necessary – before enlargement, to ensure that enlargement does not irreversibly undermine the European Union's ability to act.

Equally important for the future of Europe, in Biarritz and later Nice, will be the debate on the Charter of Fundamental Rights. This will become the reference point both for those countries that are already members of the Union and for those preparing for entry. The quality and even handedness of the proposal are exemplary, and I would like to express my appreciation of the work done by the members of the Convention and their President, Mr Herzog.

The debate on the future of Europe

The lesson for us all today, as we celebrate the tenth anniversary of German unification, is that Europe can rise to the great challenges that history throws in its path.

Looking ahead, beyond Biarritz and Nice, we have a duty to reflect on our future. My aim today is not to present a complete blueprint for tomorrow's Europe. I simply want to set down some pointers for the debate.

The future of a newly reunited Europe is not carved in stone. The outcome of the current political debate will depend on the determination we can display.

The possible outcomes are the maintenance of the status quo, which would mean, in effect, a step backwards for Europe. Or a partial but deceptive increase in intergovernmental cooperation. Or, alternatively, we can continue to build on the institutional architecture of the Union in a way that is consistent with the principles of democracy, the balance of powers and subsidiarity.

I am heartened that there now seems to be more of a consensus that these issues need to be addressed than there was this time last year when I first raised them in this very chamber.

The strength of the Community model

If we are to shed a constructive light on the future, we must take as our starting point our current situation, our past history and the recent debate inspired by many influential contributors.

All the lasting achievements of the European Union, from the single market to the euro, including four successive enlargements, have been the product of our unique system, based on a delicate balance between the Community institutions.

This system, revolving around the institutional triangle of the Council, Parliament and the Commission, has proved extraordinarily successful.

Its originality lies without doubt in the Commission and its right of initiative.

The Commission is the melting pot into which the various national interests and tensions are poured, and

from which emerge proposals that seek to reconcile these often conflicting interests. In this way it provides not only a synthesis and analysis of the problems at issue but also a starting point for negotiations in which, once national differences have been aired, the common European interest can be identified.

This executive, that combines independence with a sensitivity to the balance of powers and interests in all the Member States (both large and small), is the sine qua non for the effective pooling of sovereignty in the Community.

However, the role of the Commission is a necessary but not a sufficient condition for European integration. The European interest is the product of an institutional system in which Parliament, Council and the Court of Justice play an equally decisive role. It is from this system, the combination of all these institutions, that the synthesis emerges.

There are those who see a positive side to any confrontation between the Council and the Commission, as if this might somehow be to Parliament's advantage. But nothing could be further from the truth. A strong Council strengthens the action of the Commission and this is equally true of Parliament.

The European system is one of checks and balances, in which the smooth running of each institution serves the common interest. Any weakening of these institutions weakens the whole.

Yet I detect a worrying tendency to think that further European integration can be achieved using methods based primarily on direct cooperation between governments.

The weakness of the intergovernmental model

This is extremely disturbing because the intergovernmental model can lead to only two possible outcomes, both of them undesirable:

- either it will turn the Community into an international talking shop, incapable of producing a real pooling of sovereignty around the common interest;
- or it will deceive people by constantly creating new bodies which are exempt from any form of democratic scrutiny – a real government of bureaucrats.

Giving new powers to some sort of committee of ministers, serviced by an unaccountable secretariat, would not represent any sort of progress either for democracy or for effective decision making.

To claim, as some do, that the individual legitimacy of the participating governments somehow provides, on its own, a sufficient guarantee of democratic accountability for the intergovernmental model is misguided.

The European process can only derive its democratic vitality from a dual legitimation: the direct legitimation of the European people, as represented by you, the Members of the European Parliament, and the legitimation of the Member States, which in turn is based on democratic national elections.

The European Parliament, as the expression of Europe wide direct universal suffrage, is the institution specifically dedicated to representing the Union of the peoples of Europe. And it is from your endorsement of the Commission that the Commission derives its democratic legitimacy. This then complements the other source of legitimacy, namely the Member States represented in the Council.

Enhancing the intergovernmental model at the expense not only of the Commission but also, ultimately, of the Council would therefore undermine the democratic nature of the whole European structure and would be a seriously retrograde step.

In short, we run grave risks if we call into question the principle of a Community based on the rule of law, respect for which is guaranteed by the Court of Justice, to which any European citizen has the right to

appeal.

We currently have a paradoxical situation in which even the deliberations of the fifteen Justice Ministers on such sensitive issues as penal law and police cooperation escape the scrutiny of Parliament and the Court of Justice. This cannot go on.

In the recent controversy surrounding the political developments in Austria, the compulsion to resist any racist or authoritarian tendencies, a reaction with which I fully sympathise, ended up by creating an artificial distinction between the bilateral action of the Member States and action by the Union as a whole.

Democracy was made to look like something for individual Member States alone. But I believe that democracy cannot be a matter for subsidiarity: it must thrive at every level.

I cannot help feeling, too, that when there is a problem of fundamental values at European Union level it should first be debated before this House, the democratic heart of our Union.

It is of course only right that when it comes to the specific role of government there should be an open debate about what should and should not be done at European level and at national level.

It is then up to each individual Member State to decide what should be done at regional or local level.

I therefore agree that the time has come to open the debate on the distribution of powers between the Union and the Member States.

The Commission will launch this debate with a White Paper on governance, which we are already drafting. We will be trying to define a form of interaction between the existing levels of decision making that is transparent and democratic and, at the same time, capable of ensuring coherent and effective action.

Any further trend towards an intergovernmental approach, by contrast, would create conflicting centres of power within the European structure. It would lead to fragmentation where what is needed is unity.

The danger of fragmentation

There is no need to remind this House of our tragic inability to act in the Balkan war, precisely because of the fragmentation of our decision making processes. It is not because of our action that we have lost credibility, but because of our inability to act.

I would like to give two more examples of this fragmentation.

First, the creation of High Representatives.

In the area of foreign and security policy, the Amsterdam Treaty provided only a provisional response to a lasting need.

While I can assure Javier Solana of the wholehearted support of the Commission, and I admire the extraordinary personal commitment which has enabled him to achieve important and unexpected results, I have to stress that the present organisational model is not sustainable in the long term. This model confuses the roles of the Council and the Commission in a way that could ultimately jeopardise both struts of the institutional system and exclude Parliament from any effective power.

The current situation should be seen as a transitional phase, useful for launching European action in a new area, but destined to be reabsorbed into the conventional institutional structure, as happened in similar cases such as Schengen.

That is why I firmly believe that the function of High Representative should be integrated into the Commission, with a special status tailored to the needs of security and defence.

We should draw the same conclusions when considering the solutions to be adopted for other sectors, such as economic policy and the euro.

The current management of economic policy projects an image of Europe as indecisive and muddled. The Central Bank is independent, but, unlike every other protagonist on the world economic stage, it is not flanked by a stable economic policy body representing an overall view of the economic strategies of the Union and its members and capable of taking decisions with the necessary speed.

The search for such an essential point of reference for any monetary policy must not lead to the creation of another High Representative, this time for economic policy. The simple, natural, effective solution is there, under our very noses: the Commission, acting on a mandate from the Council, should be the voice of the Union's economic policy.

In fact, you only have to read the Treaty to understand that, while the Central Bank is the pivot of monetary policy, the body responsible for the overall assessment of the European Union's economic policy can only be the Commission. The Commission is thus the obvious interlocutor for the Central Bank.

My second example of the risk of fragmentation is the desire expressed by some Member States in the intergovernmental conference to amend the Treaty to facilitate the creation of agencies on which the Council can then confer executive powers.

Let us have no illusions: there is a real danger that this will create conflicting centres of power.

Agencies may indeed be needed to give the Union bodies and authorities of the kind that exist in all systems today, and to allow the Commission better to perform its executive role without excessive bureaucratic burdens. But this must be done by maintaining the logic of the Community system. Those agencies must operate under the authority of the Commission which is answerable to you for their actions.

You cannot on the one hand deplore the lack of effective and united European action and on the other be content with the weakness of the instruments available to the Community for carrying out such action. The recent petrol crisis is a perfect illustration: the need for a unified response was obvious as was our inability to deliver one.

## Conclusion

Often in the history of European integration the President of the Commission has stood before this House and said that we find ourselves at a crossroads.

If I say it once again, it is because I genuinely believe that it has never been more true.

The debate about the future of Europe in the light of enlargement is a healthy and vital one. Although I regret the outcome of the recent referendum in Denmark, I respect the fact that it followed a healthy debate. However, it goes to show, once again, that within the Union not everyone feels equally strongly that they are a part of the European project.

We have achieved a great deal over the past 50 years, but we should not be so complacent as to believe that these achievements are irreversible.

If we are not careful to preserve the key elements of the constitutional architecture designed and executed by the founding fathers, we will reverse some of the achievements that we take for granted today.

Democratic accountability. Legitimacy. The rule of law.

We have built a unique system in which the guarantees of the democratic state governed by the rule of law on which our societies are founded also form the basis for the Community. They must continue to guide any further advances in common action at European level.

Many people, all over the world, look to our European model and its successes for inspiration. Many look to our original "union of minorities" as the only instrument capable of reconciling the demands of globalisation with the reassertion of the rights of the citizen.

I am not so naïve as to pretend that the Community system is perfect. This is precisely why we have set in motion, and will carry through, an in depth reform of the Commission. A reform not only of the way it operates but also of its administrative structures.

It is now legitimate to expect a similar effort from the other institutions.

I still believe, passionately, that the Community system, with its checks and balances, offers the best possible guarantee of the fundamental values we cherish.

If development of the Union is pursued while weakening the political role of the Commission,

if our capacity for executive action is eroded,

if the extension of the intergovernmental model corrupts the judicial and institutional mechanisms of the Community,

if the democratic legitimacy of the system, guaranteed by this House, is undermined,

if all this is allowed to happen,

then the achievements of the single market, the common policies, the solidarity mechanisms, and the strength Europe exercises by speaking with a single voice in international negotiations, will all be at risk.

Similarly, any attempt to equip Europe to act more effectively by continuing to develop a Union based on shared values, democratic principles and the rule of law will be in vain.

Madam President, Ladies and Gentlemen,

The Community system has been a unique success, and we have only just begun to explore its potential. Our peoples pin their hopes on the European Union and look to it to ensure that the future is one of peace.

The achievements of the past equip us well to meet the challenges of the future. What we need now is the wisdom and foresight to preserve what we have inherited in order to bequeath something even better and grander to future generations.

Thank you.