

13 September 2004

JACQUES DELORS'S ADDRESS TO THE CONFERENCE OF EUROPEAN STATISTICAL INSTITUTES

It is a pleasure to take part in this exchange with you, you who have the important task of providing the database in fields where there can be no serious political debate without high quality statistical data. Besides, you are asked to do a lot - some of you might even think too much.

The quest for reliability is a must. At the same time, however, the fields you are expected to cover continue to grow, be it the enlargement of the EU, Economic and Monetary Union, the implementation of the Lisbon strategy, environment policy...

Depending on their priorities, you hear complaints from those who would like to put more emphasis on monetary statistics, on the measure of social development, or even on structural indicators, however difficult they may be to interpret.

You are here today to exchange your assessments and to share the latest results of your research. But neither will you forget the problems linked to the necessary independence of statistical institutes, to the human and financial means required to carry out your mission successfully, and also to the running of the European Statistical Office (Eurostat) with regard to the EU institutions and to the decision-making processes.

I am not sufficiently qualified to make a useful contribution to your thinking and to your work. Instead, I should like to contribute a few general remarks on the future of the Union to the present debate.

The questions on Europe's future are serious and numerous. Tonight, I shall focus on two of them :

Will the Greater Europe of the Twenty-five, and tomorrow of more than thirty, bring about a dramatic change with regard to the Community, which has itself changed a lot over the last fifty years ?

How to resolve the contradictions involved in the different ideas of Europe in the economic and social fields ?

I. What prospects for the Greater Europe ?

Given the fact that I had given my enthusiastic support to EU enlargement ever since the events of 1989, and had worked towards achieving this objective, I could not be set alongside those who tried to find arguments to delay, or even to prevent Europe's peoples from coming together.

However, as soon as the aid and cooperation policies with the candidate countries started being implemented, I raised what I considered to be the key question : What realistic objectives could be set for the Greater Europe for the year 2020?

My position was based on a twofold historical experience : on the one hand, the necessary transitions before and after accession, on the other, the difficulty of reaching a consensus on the final aims of the European integration process.

That is why I submitted to public debate three objectives I considered relevant and realistic for the Greater Europe :

- 1) An area of peace and mutual understanding. Taking the difficulties of the past into account, difficulties which have fortunately been overcome, and in view of the future integration of the Balkan countries, I believed this was an essential mission, one which would require all our attention and dedication.
- 2) The implementation of a sustainable development policy based on solidarity, and not the mere setting-up of a traditional free-trade area. I am, of course, thinking about preserving the environment and our planet Earth. At the same time, I am also aiming at extending the achievements of European integration. First of all, there is the free movement of persons, goods, services and capital, in other words agenda 1992, the objective I had put forward as president of the European Commission as early as 1985. However, it also involves the issue of economic and social cohesion introduced by the Single European Act of 1987, and the joint efforts in terms of research and innovation as well as reforms resulting from the reasonable pursuit of social objectives : the adoption of minimum standards in the areas of working conditions and wages, encouraging negotiations between employers and trade unions, and growth of exchange programmes, especially between students (e.g. the Erasmus programme).

If one part of this programme were to be dropped, I for one believe we would no longer be talking about the same European project.

That is why the discussion on the financial framework for 2006-2013 is of such vital importance.

If, as some countries are asking, the ceiling on the Union's budgetary expenditures were to be set at 1%, the economic and social project for Europe would collapse immediately. To put it differently, the

purpose of the Union's budget is not to be a mere clearing house between the richest and poorest countries.

- 3) Finally, the third objective I set for the Greater Europe was to promote the cultural diversity which constitutes the wealth of our continent in order to defend and to illustrate our heritage and talents in the face of globalisation and the associated danger of uniformity. But also to stimulate cultural creativity in every field, and to ensure mutual enrichment thanks to our differences.

However, the objection I often hear is : what do you propose to do with Economic and Monetary Union, with foreign policy and defence ? I acknowledge the fact that we are faced with divergent views and different developments. The enhanced cooperations provided for in the treaties would make it possible for a group of countries to move forward in these fields, while leaving the way open for all the others.

This is how European integration was able to move ahead. One only needs to remember the Maastricht Treaty opt-outs granted to Great Britain and Denmark, or the Economic and Monetary Union, which was launched with 11 out of 15 EU member states.

Our relations must continue to be based on the fundamental principle that one member country shall not be forced to take a step forward it is unwilling, or unable, to make, but, at the same time, that this very country cannot prevent a number of its partners from going further.

It is the only possible way to combine enlargement and deepening, and thus to maintain the dynamics of European integration

II. Contradictions to overcome in the economic and social fields

We are faced with two problematic European initiatives: the Economic and Monetary Union on the one hand, and the Lisbon process on the other.

As far as EMU is concerned, it is necessary to look beyond the serious difficulties arising from the implementation of the Stability and Growth Pact. It should be remembered that the report issued by the committee of experts created by the European Council in order to study EMU emphasised the importance of striking the right balance between its economic and monetary aspects. That was also the spirit of the Maastricht Treaty. However, in practice, the monetary pillar is sound and healthy, whereas the economic pillar is non-existent. There should be more than just a debate among the 15 (including EMU non-members) about major economic orientations. Indeed, it is essential to reach genuine co-operation on macroeconomic policies within EMU, thus making for a fruitful dialectics between the economic and monetary aspects.

We are far from this point. This is not the debate opposing "state activists" and "monetarists"- we are way beyond that. Over the past few years, another confrontation, one that is fundamental for the Union's future, has emerged. I will formulate it in terms which, I hope, will not sound too confusing: (in the words of Jean Pisani-Ferry) the thesis of collective sovereignty runs counter to that of competitive federalism.

Let us avoid any misunderstandings. Some areas remain the responsibility of the nation-states, in accordance with the principle of subsidiarity. Subsequently, certain reforms and adjustments must be implemented by national governments, each of which takes into account some national specificities.

Realism requires it, since problems sometimes arise from national issues. Transferring them to the European level would be useless. It may look nice in a speech, but it would not be the solution, the miracle answer to the diversity of national situations.

Conversely, accepting competition between States as a basic principle, and adding it to competition between economic operators, would mean turning our back on the spirit and *acquis* of European integration. If this view were to prevail, the cohesion of the entire system would be in doubt. It would pave the way to fiscal and social dumping, with no limit. EMU would go through a serious political crisis, not to mention the risks of social destabilisation.

For these reasons, my position today is the same as it was when I chaired the EMU experts' group: I remain in favour of adopting a pact providing for co-operation on macroeconomic policies, alongside the stability pact. And since there was a need for someone to take the lead, as in every EU field, I suggested that this role be played by the President of the European Commission.

As for the Lisbon process, it was weighed down by an excessive number of objectives and insufficient co-operation. A flexible method had been recommended: the open method of co-ordination. We have to acknowledge that it did not meet the expectations.

I can only repeat, however, that most of the adjustment effort has to be made at the national level. The European Union cannot make up for countries failing to meet targets or lagging behind. It is, moreover, very useful to keep disseminating each other's successful experiments and innovations as we all will benefit from it.

In some areas, though, there may be added value in co-operation at the European level. In those cases, the decision has to be taken, and the necessary means provided.

More specifically, I am thinking about transport networks, new communication technologies and research, as well as economic and social actions that allow one to combine greater flexibility and greater safety, especially through life-long training. Neither should we lose sight of that pillar of our wedding contract, economic and social cohesion.

I do not have enough time to expand on these arguments any more than I have done already. However, with these few words I wanted to remind you that my approach - featuring what I call the "Nation-State Federation"- is based on subsidiarity and the guarantee given to national competences. It has nothing to do with the tale of "The Fox in the Chicken House", which runs counter to the European Community spirit.

In short, I am pleading for a compromise, which, however unstable it may be, would be based on consolidating the *acquis* and reinforcing co-operation, more through incentives than through support. I say that as an advocate of the European model, which fundamentally strikes a balance between society and the individual, between the State and decentralised local communities, between market practices and the necessary regulations.

Thank you for your attention.