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to New Zealand**

Address to the National Centre for Research on Europe

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What future for the European Union?

Thank you to Martin Holland and the National Centre for Research on Europe for hosting me here today. This institute has hosted many distinguished speakers in recent years and it is a privilege to be invited to deliver here my first public speech as the new Ambassador of the Delegation of the European Commission to New Zealand .

The European Commission and the NCRE have a close relationship and we have been delighted with the quality of the research conducted here, the quality of the students that pass through this Centre and the quality of the speakers and guest lecturers this Centre attracts.

We look forward to continuing our association with this Centre as its expertise is used to help establish a network of Centres specialising in EU studies across all the universities in New Zealand . A new grant agreement is in the process of being signed for an EU Centre with the Commission with an award of 600.000 € This is an important development in helping to raise the profile in New Zealand of modern Europe , and in particular, the role of the European Union.

The Europe that has emerged in the past fifty years would be unrecognisable to those who have not been witness to it. Some people may think that there is not much more to be done beside what has already been realized (peace in Europe, single market, the Euro, many integrated elements of common policies in such fields as transport, environment or industrial policy, the important enlargement of 2004 ...). Or, perhaps they think that some more could still be achieved, but at a lower speed.

The refusal of two founding Member States to ratify the constitutional treaty is for some people a sign that we have reached limits that will be difficult to overcome. The relative economic stagnation and the incapacity of the European Union to boost the economies of Member States are taken as another negative sign.

In my view, the current crisis is not a symptom of an aging Europe - to the contrary, important progress has been realized in recent years that give further hope that Europe can still progress.

First, Europe has already experienced a number of major crises and the setback of the constitution doesn't mean that the European Union will no longer progress..

For example, in 1966 the so-called "Luxembourg Compromise" effectively extended the life of the national veto beyond the transitional period allowed under the Treaty of Rome.

This brought to an end the earlier impasse known as the “empty chair crisis” when France boycotted Council meetings for the last six months of 1965 in protest against bureaucratic “supranationalism” and the advent of qualified majority voting.

There were also deep divisions in a number of Member States concerning the adoption of the European Single Act which came into force in 1987 and laid the foundations for the completion of the Single Market.

Similarly, the Maastricht Treaty of November 1993, which created the European Union, and which only squeaked through the referendum held in France, was originally rejected by the Danes and nearly brought about the downfall of the John Major government in the UK.

The subsequent Treaty of Nice in February 2003 was likewise rejected by the Irish and only came into force when the Irish were asked to vote again.

Likewise, crises arising from the budgetary debates are legion. For most of my time in the Commission, we did not have a properly adopted annual budget due to the yearly wrangling between the member states and between both arms of the budgetary authority (ie the Commission and the Parliament). It was only after the adoption of a system of 5 year financial perspectives that some order was brought into the process.

Last but not least, the adoption of the next budgetary perspectives for the period 2007 /2012 was a very difficult and painful exercise for the last two presidencies, but finally an agreement was reached at the last hour before Christmas. This agreement is exemplar in the sense that it is a compromise between all Member States and it respects the European spirit and values (unity and solidarity in particular). Everybody had to make concessions – just like in any good marriage!

All of this is to say that we should not exaggerate our current institutional problems. We have been there before and have emerged strengthened by the process!

In most cases, each time a solution was found, it allowed the European construction to improve. A new organization, like a child, has to go through experiences. This is part of the learning and of the growth

Even if there is a great number of Euro-sceptics, rare are the people who really think that we can get rid of European integration because the links and interactions between Member States are so important, that delays in further integration of the Union is not feasible?

Globalization and serious threats like terrorism, environmental disasters, or energy supply are there every day to remind us that more should be done in common to fight against these threats.

In order to better understand and address the problems raised by the French and Netherlands voters during the last referendum on the constitution, the EU Heads of Government have called for a “period of reflection” to enable a broad debate to take place in each Member State. As part of this process, the European Commission has proposed a so-called “Plan D” - Democracy, Dialogue and Debate. This proposes a

framework to assist national governments to hold a 25-country debate on Europe 's future. The clear objective is to build a new political consensus about the right policies to enable Europe to meet the challenges of the 21st Century.

A first feedback of the results of the national debates should take place in April 2006. A European Conference on the future of Europe is proposed for 9 May this year, drawing together the main conclusions from the debates. The Commission would then prepare a synthesis in time for the June 2006 European Council. The aim of this process is to bring about a concrete road map for the future of Europe .

Second, in the global scene, Europe has until recently mostly be known for its its trade policies, particularly its farm policy, the Euro or for some of the few common industrial successes like Airbus or the Ariane rocket. Europe was not noted for its political facet, since Member States have for long tried to preserve their own sphere of independence as long as there were no major threats. But things are changing. This is no longer true, here too Europe is maturing.

The collapse of the Soviet Union would certainly not have led to such a peaceful reorganization of eastern Europe, had the European Union not existed and provided not only assistance but essentially hope for those countries to join the European club.

The new Member States have successfully overhauled their entire system of governance and administration to get ready for membership.

The situation is changing. The inability of Member States to act in a coordinated way in the Balkans or in Iraq just a few years ago showed clearly that, divided, the Member States have less international weight. This is the reason why many people now expect a stronger European role on the international arena.

Within the context of the CFSP, the Union is developing a common policy.....

Quietly and progressively, the European Union has used its institutional setting and instruments to build the EU as a global actor. There has been a steady political growth. Instead of making declarations after events have taken place, the Union has started to influence events in real time using its civilian and military capabilities. In recent years we have made a lot of progress in building up the European Union as a global actor promoting stability and security.

The Ukraine was a good example where the European Union played a leading role in achieving a peaceful and democratic outcome. At present Europe is engaged in a number of crisis management operations:

- in the Balkans (Bosnia Herzegovina, Former Yugoslav republic of Macedonia);
- in Africa (Democratic Republic of Congo and Sudan/Sudan);
- in the Middle East (Iraq and Palestine);
- and, closer to this part of the world, in Indonesia (Aceh Monitoring Mission)

Until recently Member states have conducted their various external policies independently of each other without a clear vision. But progressively they have started to coordinate those policies not only to advance our interests and protect our citizens but also to act as a benevolent force in the world.

This is our strategy not only in Africa and Eastern Europe but in Asia too. We do think that in developing such a strategy we need to improve our cooperation with the countries sharing the same values in order to maximise our efforts. In that spirit, we are currently preparing a European strategy for the Pacific and we think that it is of utmost importance to coordinate our plans with New Zealand and Australia .

To that end, the Commission with the help of Martin Holland and the NCRE, and jointly funded by the New Zealand and Australian Ministry of Foreign Affairs and Trade, will host a workshop in Auckland this April on the EU's role in the Pacific and the development of the Economic Partnership Agreements with New Zealand's Pacific neighbours.

The Commission cannot work in isolation in the Pacific region, and this workshop will be an important opportunity to bring together all on development assistance in the Pacific to discuss ideas.

And that brings me back to where I started – talking about the NCRE and the Commission working together to help create even better linkages between Europe and New Zealand, and to help build a better understanding of the European Union in New Zealand. The European Union has good, solid, friendly and a broad relationship with New Zealand and, in the NCRE, we couldn't ask for a better partner to help us share Europe with this part of the world.

A recent research project undertaken by the NCRE highlighted that, despite New Zealanders recognising the European Union for the dynamic economic, trade and political power that it is, it was seen as no more important to New Zealand as Japan . And more often than not, the European Union is seen by New Zealanders through the lens of the historical relationship it has enjoyed with the United Kingdom . That gives us much food for thought as we look to build on the EU's relationship with New Zealand.

Again, that underlines the importance of the work the NCRE does in relation to the work the Commission does in this part of the world. I, and my team at the Delegation in Wellington , look forward to working with the NCRE and the new network of Centres as we go forward. The European Union has quite a future ahead of it, as does New Zealand . To quote what the President of the European Commission Jose Manuel Barroso said to Prime Minister Clark during her recent visit to Brussels, “Our bilateral relationship can only grow stronger in a spirit of cooperation”.

Thank you.