

THE PERIOD AFTER MAASTRICHT: THE MAJOR CHALLENGES FACING EUROPE — THE ROLE OF THE EUROPEAN PARLIAMENT

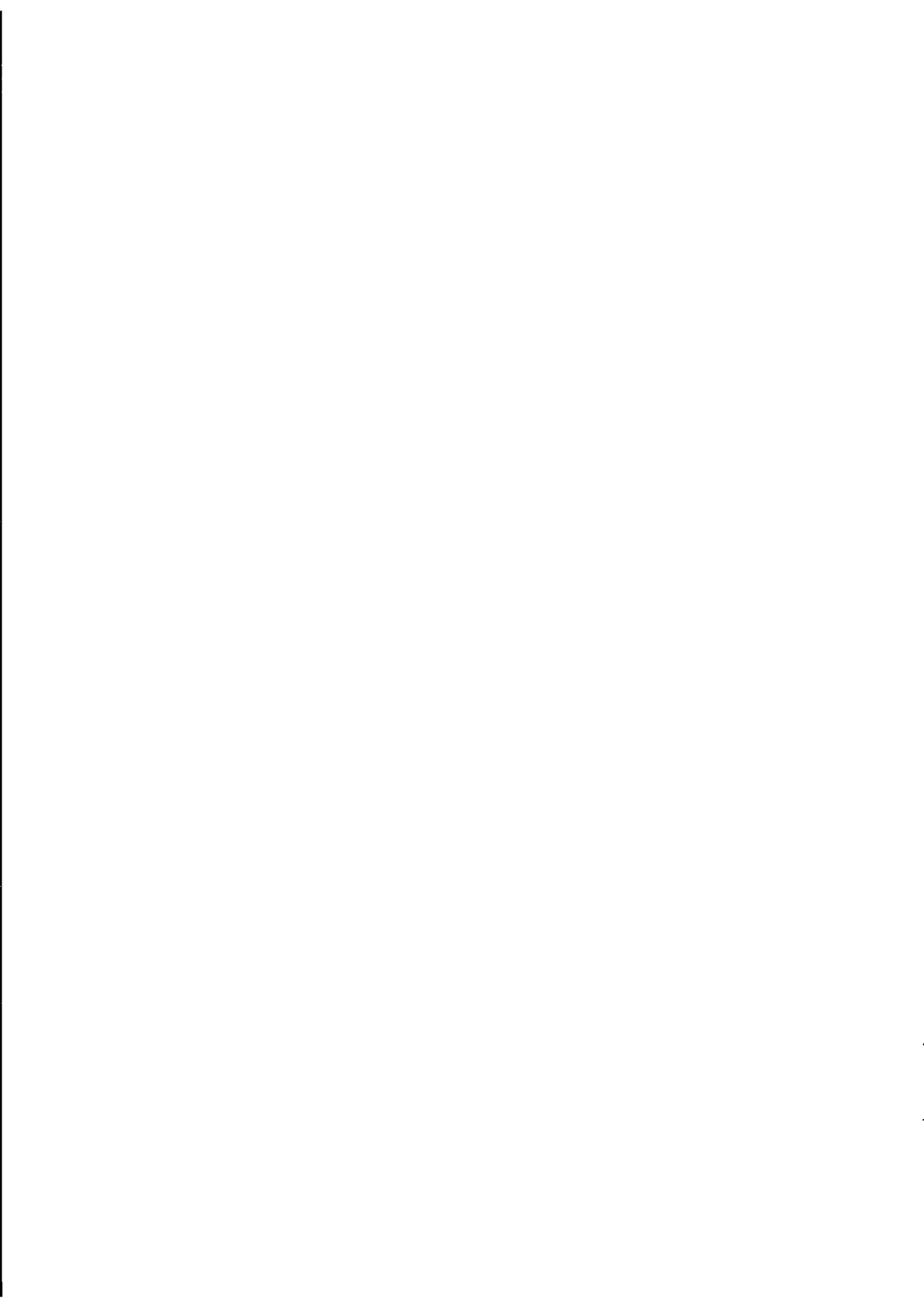


by Egon Klepsch
President of the European Parliament

Florence, 10 November 1993

EUROPEAN
UNIVERSITY
INSTITUTE

SIXTEENTH
JEAN MONNET
LECTURE





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Opening address by Mr Émile Noël, Principal of the European University Institute

Mr President,

It is an honour and at the same time a great satisfaction for me to be able to welcome here on behalf of the European University Institute the President of the European Parliament. Your visit to the Institute is coming immediately after the entry into force of the Maastricht Treaty through which the European Parliament secured new, important powers. This highlights your presence particularly. I wish to express our gratitude to you for having come at a time when you have so many things to cope with.

We are welcoming you to the Badia not only as the President of a great institution, but as a European, and I should like to say as a militant European. Your political career took shape within the Christlich-Demokratische Union — the CDU — which you joined very young, at 21, the very year (1951) when the first European Treaty was signed, the one setting up the European Coal and Steel Community. It was then the great figure of Chancellor Konrad Adenauer who dominated German political life, and with his encouragement the CDU embarked with determination upon the European adventure.

As a CDU member you steadily took on broader responsibilities. In 1963 you were elected President of the Junge Union and the following year President of the European Union of Young Christian-Democrats. These were your first steps on the path of European politics that you were to keep to thereafter.

In 1965 you were elected member of the Bundestag. In 1969 the Bundestag appointed you member of the Consultative Assembly of the Council of Europe and of the Parliamentary Assembly of the Western European Union. In 1973 — 20 years ago — you entered the European Parliament as member appointed by the Bundestag.

Your European career took off from there. In 1976 you were elected Chairman of the Working Group on European policy of the CDU-CSU parliamentary group. In 1977 you were elected Chairman of the European Peoples Party group, the Christian-Democratic group in the European Parliament. In 1979 the European Parliament was for the first time directly elected. You were returned to it as an elected representative of the European people, and were confirmed as Chairman of the EPP group. You were to occupy that key post almost uninterruptedly (with a brief gap of two years as Vice-President of Parliament), until you were elected President of the European Parliament in January 1992. This induced you, in 1980, to renounce your national seat in order to devote yourself exclusively to your European responsibilities.

These were the principal stages of an impressive European career. You were kind enough to tell me shortly after your election as President of the Parliament of your sympathy and interest for the Institute, as well as of your intention to visit it. That has today come about thanks to the Jean Monnet Lecture, which lends enhanced significance to your presence.

Eighteen months of vacillation after the signature of the Maastricht Treaty have darkened the European horizon. Your personal commitment, and your high office, enable you to speak with clarity and with authority. You have chosen to bring out the important dates awaiting Europe after Maastricht, and beyond Maastricht. Your message and your answers to the questions from this meeting will, I am sure, help us better to identify the new prospect for Europe as the century comes to a close: a larger Europe, which must also be a more democratic and a stronger Europe.



**Sixteenth Jean Monnet Lecture,
delivered at the European University
Institute, by Egon Klepsch,
President of the European Parliament**

Florence, 10 November 1993

**The period after Maastricht:
The major challenges facing Europe —
The role of the European Parliament**

Ladies and Gentlemen,

It is a great pleasure to be your guest and to be able to speak to you at this renowned European University Institute.

I was delighted to accept the invitation from Mr. Émile Noël, Principal of the Institute, to deliver this year's lecture.

The Institute's reputation has spread well beyond the boundaries of Florence and of the Community, something helped not least by Émile Noël's years of work here. In good times and times of crisis, in the euphoria of the 1992 objective and during the surprising collapse of the Communist world, as well as in the critical debate over the Maastricht Treaty with which we are still faced, he has unwaveringly kept to the basic principles and methods of integration, insistently questioning unclear concepts and poor compromises. Over and above that, he has continually provided new stimulus to the urgently needed academic underpinning of the integration process.

Shortly before you leave this important post of yours, it is a particular pleasure for me to be able to thank you for all that publicly. That is one other reason why I was so delighted to come to Florence.

I shall now turn to the main topic of what I have to say.

After the positive judgment of the German Federal Constitutional Court in Karlsruhe and immediately after the special summit of Heads of State and Heads of Government of the 12 Member States of the European Community and the entry into the force of the Maastricht Treaty, we are at the beginning of a new era. These events will, I feel, give fresh impetus to the process of European unification.

In recent weeks and months doubts have been expressed in many quarters as to the future of the European Community and its institutions. This year has been marked by a number of controversies about the future of the Community. First, there was the controversy — certainly a useful one — about the Maastricht Treaty. And then there was the controversy about monetary union. There is still no prospect of an end to the bloody war in the Balkans. The European Community and its institutions are, therefore, faced with a number of critical tests. These events and a number of others have cast doubts on the capacity of the Community to overcome the present difficulties and the challenges of the future.

The EC is the only alternative

A review of the historical development of our Community, an appraisal of the situation today and a glance into the future lead, in my opinion, to only one conclusion: there is no alternative to the further development and completion of European Union. Both in the economic and political sense, the EC is the only alternative for shaping a future acceptable to us all.

Today's priority: full implementation of the Maastricht Treaty

Broadly speaking, the Karlsruhe judgment largely reflects the desire of the European Parliament for progress towards integration to be accompanied by greater democracy. The



explanatory statement by the Federal Constitutional Court on the principle of democracy and the shaping of the European Union reflects the views of the European Parliament and its views on election modalities and the need to further increase the powers of Parliament.

However, it is not the intention of the European Parliament to put itself on a par with national parliaments. What the European Parliament seeks is closer cooperation, a genuine 'relationship of cooperation', as it were. For example, the European Parliament is calling for the right to approve changes to the Treaty.

In its positive opinion on the Maastricht Treaty (7 April 1992) the European Parliament called for the existing democratic deficit to be overcome and stated that that was the precondition for further unification.

Significance of the Maastricht Treaty for the European Parliament

The European Parliament's primary objective is to seek an equal role in shaping the Community's internal and external policies with the two other main bodies: the Commission as the executive body initiating legislation and the Council of Ministers as the decision-making body.

The European Parliament's views have been significantly strengthened by the Single European Act (which came into force in mid-1987) and subsequently by various provisions of the Maastricht Treaty.

Extending powers and competences

The Maastricht Treaty offers the European Parliament the basis for strengthening and substantially developing its democratic powers of control and its competences. The main examples I would quote are Parliament's right to approve the appointment of the President and the 17 Members of the Commission as a whole. Until now Parliament has merely had the right to dismiss the entire Commission through a vote of no-confidence. The Maastricht decision also brings the term of office of the Commission into line with the legislative term of Parliament, i.e. it

increases it from four to five years. This, too, is important in the political domain.

Maastricht also gives Parliament the power to ratify all Community agreements with third countries which are essentially political, economic or financial in nature. Hitherto, Parliament has merely had the right to approve association agreements and agreements on accession to the European Community — a fact which many people were not even aware of.

Ombudsman and committees of inquiry

Parliament's position as a democratic supervisory body will also be strengthened in future through the appointment of an ombudsman who will be elected by, and solely responsible to, Parliament. Denmark has set us a positive example in this respect. The creation of committees of inquiry is an additional example of the extension of democratic powers of accountability.

In this way Parliament will be able to exercise comprehensive controls over the bureaucracies of the Commission and the Council, in which the representatives of the individual governments take the decisions.

Rights of co-decision

Finally, the Maastricht Treaty grants Parliament the right of co-decision, i.e. an equal say with the Council where decisions are taken by a qualified majority. For the time being this power — involving an absolute majority of 260 members — will remain confined to the single internal market which came into effect on 1 January of this year and a number of subsidiary areas. Parliament has called for the right of co-decision to be extended to all legislative activities which the Council decides by majority. This is specified for the Review Conference planned for 1996, but would also be possible without amendments to the Treaty through the review clause in the Maastricht Treaty.



Budgetary rights

Hitherto Parliament has enjoyed co-decision only in respect of the budgetary procedure. The Community's annual budget cannot be adopted until it has been signed by the President of Parliament.

Parliament has consistently been able to impose political priorities on the Council in the financing of Community activities. Hitherto, however, this has been confined to 'non-compulsory' expenditure, which now accounts for about half of total expenditure, but used to account for a smaller proportion. Parliament wishes to put an end to the artificial distinction between 'compulsory expenditure' — which largely consists of expenditure on the agricultural policy — and 'non-compulsory expenditure' so that in future it will in fact be able to decide on all items of expenditure.

Further requirements ...

However, the provisions of the Maastricht Treaty still do not meet all Parliament's requirements. Parliament seeks the following:

- a full say in all Community activities, i.e. in all legislation;
- full budgetary powers, on the revenue side too;
- the right to approve amendments to the Treaty.

Subsidiarity principle

Since the Maastricht Summit, the public debate in the European Community on more democracy and bringing democracy closer to the people has centred on the concept of the subsidiarity principle.

What it means is that decisions should be taken at the appropriate level. In the Community context it means that Community bodies should play an active decision-making role in given policy areas only if the individual Member States or regions are unable to do so. However, detailed and precise rules are needed for application of the subsidiarity principle in day-to-day politics.

*Agreements between the Council, the Commission
and Parliament*

The areas I have already touched on — drafting the annual Community budget and medium-term financial planning up to the end of this decade — and anything discussed under the heading of 'more democracy, transparency and the principle of subsidiarity' are covered by 'interinstitutional agreements', i.e. agreements between the Council, the Commission and Parliament. At the European Council in Brussels on 29 October 1993 I was able, along with Council President Claes and Commission President Delors, to sign, or initial, the relevant texts.

An agreement still has to be reached on the use of committees of inquiry. I imagine that this point, too, can be signed and sealed under the Belgian presidency, i.e. before the end of the year.

These agreements should lead to a general increase in Parliament's powers. We must set our sights on the next, fourth, direct election of Members of the European Parliament in June 1994. The important thing is to make it quite clear to the 345 million people of the European Community that they are the only way of creating and guaranteeing lasting peace under the new European and international security framework.

*Enlargement of the Community — Accession
negotiations — Direct elections*

The fact that despite all the internal difficulties the European Community is still able to exert an enormous pull can be seen from the number of applications for membership. Following the 'green light' given by the EC Edinburgh Summit in December 1992 to the opening of accession negotiations, progress has been achieved with these negotiations with Sweden, Austria, Finland and Norway. As far as Parliament is concerned, elections in June 1994 impose certain constraints. If Parliament is to deliver its opinion at its last part-session before the elections in May 1994, the texts of the treaties must be available no later than March 1994. If not, the newly-elected European Parliament would



probably not be able to deliver an opinion until October 1994.

As far as plans for expanding the Community are concerned, the Maastricht Treaty is the key element. From the very beginning, Parliament has declared that adoption of this treaty on European Union with all its objectives is the basic condition for Union membership.

Furthermore, new Member States must accept the *acquis communautaire*, i.e. all existing legislation. The countries that have applied for membership have given binding commitments in this respect.

Further enlargement possible in 1995

The current, Belgian presidency is keen to ensure that negotiation agreements proceed smoothly and that they are completed, if possible, by the end of this year. The intention is to create the basis for expanding the Community to include these four or five countries by mid-decade.

This timescale is in fact in line with the thinking of a majority in Parliament. We regard the would-be members as enriching and strengthening the European Community — provided a number of conditions are fulfilled and provided the progress which Parliament has called for on a number of occasions, in particular with regard to comprehensive democratization of the European Community, is achieved. The guiding principle is that expansion of the Community should be accompanied by a deepening of the Community, in particular with the necessary institutional reforms.

The countries of Eastern and Central Europe, the Baltic States and the Commonwealth of Independent States

Special consideration needs to be given to the countries of Central and Eastern Europe, the Baltic States and the Commonwealth of Independent States. They must first be put in a position — and we seek to help them in this respect — whereby one day they will have a serious prospect of EC membership or some other form of association with the Community.

The Association Agreements, or 'Europe Treaties', signed in late 1991 with Poland and Hungary represent a first step in this direction. The European Parliament and all the 12 Member States have already ratified these Agreements. The agreement currently being negotiated with the former Czechoslovakia had to be renegotiated with its two successor States, the Czech Republic and Slovakia. The process proved fairly smooth and these treaties, too, are now ready for ratification. The Member States have been called upon to ratify as soon as possible.

Parliament has also called on them to ratify the Edinburgh decisions on increasing the number of seats in the European Parliament. So far, only Germany has done so.

The Community has recently signed Association Agreements with Bulgaria and Romania. Thanks to Parliament's initiative, all these Agreements involve the long-term prospect of integration in the EC.

With the three Baltic States — Estonia, Latvia and Lithuania — the aim at present is to achieve normal economic and cooperation agreements. Relations with the countries of the CIS are proving more difficult. Overhasty integration would only prove damaging.

Four basic conditions

In this connection I should perhaps remind you of the basic conditions for membership of the European Community. A country must be a constitutional State with a pluralist democracy and a social market economy, and it must be willing to relinquish part of its sovereignty. Only countries able to fulfil all these conditions can be integrated into the EC.

German unification was possible only with the help of its EC partners

The fact that the further development of the European Community is the only alternative is particularly true of Germany and the Germans. Anyone who (still) maintains that a unified Germany could 'go it alone' or would be better



off economically without its ties with the Community is simply ignoring the facts.

Without the involvement and the approval of our partners in the Community, unification itself would certainly not have been possible. After the historic developments and the violent revolutions in 1989 and 1990, the creation of a European political union is as much a priority for us Germans as it ever was. A common EC foreign and security policy is more important than ever before.

The need for economic and monetary union

Economic and commercial interpenetration underlines the need for completion of economic and monetary union. This is one of the objectives of the Treaty signed in December 1991 in the Dutch city of Maastricht by the Heads of State and Heads of Government of the 12 EC states. The present difficulties in the Community monetary sector should not tempt us to turn our backs on the declared objective. We need a strengthened, not a weakened European dimension!

Entry into the third, i.e. final phase of economic and monetary union, is supposed to take place in 1997 or no later than two years thereafter with those countries of the Community which are able to fulfil the strict criteria set out in the Maastricht Treaty. These are: the obligation to achieve a low rate of inflation, a clear reduction in public budget deficits and limits to each Member State's total public sector borrowing. As things stand at present, only Luxembourg would be able to fulfil all criteria.

Given the major economic problems currently affecting almost all the Member States, 1997 seems a fairly unrealistic deadline.

However, every effort should be made to begin the final phase of EMU in 1999. Germany, too, must make some effort to satisfy the Maastricht criteria. As far as the inflation rate and total public borrowing are concerned, Germany is experiencing considerable difficulties, largely in the wake of unification.

*Maastricht Treaty only an interim phase —
common foreign and security policy needed*

Maastricht also provides the basis for creating a common foreign and security policy as an essential component of the planned European union. It is quite obvious that most Member States are continuing to have a problem with the transfer of competences in this important area. Yet an agreed policy on the basis of 'European Political Cooperation' (EPC) as practised since the early 1970s is proving increasingly unsatisfactory.

This has been more than apparent in the case of the Balkan war. Those who complain about the impotence of the European Community in this respect and who are not sparing in their criticism should know the real reason: hitherto the Community has not had the necessary legal instruments for a genuine foreign and security policy.

This is why we must do all in our power to seek the objectives set out in the Maastricht Treaty. Only in this way can we provide a comprehensive new security framework which will guarantee lasting peace and freedom.

Laying the foundations of a common foreign policy

The European Community should no longer simply respond to events. It should gradually take on a proactive role, assuming responsibility and helping to shape foreign policy.

This requires coherent Community action which necessarily also involves the domestic policy dimension: obvious examples are emigration and asylum policy. The Maastricht Treaty now provides us with the wherewithal for such instruments.

We would like the Council to enter into a dialogue with Parliament as soon as possible on the details of implementing the common foreign and security policy and on the 'third pillar'.

With regard to developments in Russia, Parliament explicitly supports the free and democratic election of Parliament and of the President of the Republic. We would like



to see Community technical and political support for the election process. Parliament will be sending a large delegation of observers to the elections, in close collaboration with the Council and its Belgian presidency.

We welcome the fact that in recent months an historic agreement has been signed between Israel and the PLO on implementing a peace plan for the Near East. We have invited Prime Minister Rabin and PLO leader Arafat to address the European Parliament on this subject.

After Maastricht: economic and social policy priorities

In the light of the current world economic crisis, the people of Europe expect solutions to the major problems in economic and social policy.

Recent surveys in all 12 Member States show that 67% of all respondents identify the rise in unemployment as the main problem facing the Community in the immediate future. This should encourage us, now that the Maastricht Treaty has come into effect, to speed up progress in the economic and social domains.

Parliament is monitoring closely and sympathetically the work of the EC Commission on its White Paper on 'growth, competitiveness and employment' and will also subject the White Paper to a very careful scrutiny.

President Delors of the Commission has already indicated to Parliament what route has to be followed. I agree with him that we must preserve the European model of society. Competitiveness and solidarity must therefore remain indissolubly linked. The solutions are not simple; there are no patent remedies.

Nor should such solutions be expected of the Community and its institutions alone. There is no point in arbitrarily picking a scapegoat. The problems of unemployment and the lack of competitiveness are so great that they should not be clouded by ideological considerations or false accusations of guilt. All levels of the Community are called upon to make a joint effort. The Community can provide encouragement and a stimulus. It can create the basic conditions

for closer coordinations of national economic and monetary policies.

We need a major European conciliation effort between the two sides of industry and at all levels of action.

Unemployment is the European Community's enemy number one. It undermines the stability and credibility of our society. Our main concern must be to remove youth unemployment and long-term unemployment.

The struggle for employment and competitiveness should be such as to enhance the image of the Community again. Growth can be achieved only if we act together, and not in isolation. I expect the European Council of Heads of State and Government in Brussels in December to take specific measures on the basis of the White Paper announced by the Commission. 1994 must bring real, practical and positive results in the common fight against unemployment in the EC. It is the greatest challenge facing us today.



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