

EUROPEAN PARLIAMENT



**SPECIAL EDITION**

**EUROPEAN COUNCIL**  
**22 and 23 March 2005**  
**Brussels**

**SPEECH BY THE PRESIDENT, MR JOSEP BORRELL FONTELLES**  
**PRESIDENCY CONCLUSIONS**



01/S-2005

*Directorate-General for the  
Presidency*

**EN**

**EN**

(Intranet) <http://www.europarl.ep.ec/bulletins> (Special Edition 2005)  
(Internet) <http://www.europarl.eu.int/bulletins> (Special Edition 2005)

\\EPADES\PUBLIC\SOMMET\2005

---

## SPEECH BY THE PRESIDENT

---

### SPEECH BY THE PRESIDENT OF THE EUROPEAN PARLIAMENT TO THE EUROPEAN COUNCIL, 22-23 MARCH 2005

Ladies and gentlemen, members of the European Council,

The 'spring' European Council, as the phrase has it, offers an opportunity to take stock of, and assess the prospects for, what we call the 'Lisbon strategy'.

This somewhat obscure term denotes our attempt to make our economy competitive, without damaging the European social model or the environment.

Citizens have to understand the reason for what we are doing, especially now that ratification of the Constitution has got under way. They have to understand why the European dimension should be viewed as an asset and not as a set of restrictions shackling their prosperity and solidarity. And that is something which we need not just to explain, but also to prove.

Mr Juncker has described the performance of the Lisbon strategy as 'pathetic'. Having heard the representatives of the national parliaments and the European Parliament at their meeting in Brussels last week, we still have, to say the least, a great deal to do.

The fifteen Member States set the 'Lisbon' goals at a time when the Internet bubble had swelled to its largest proportions. There were too many goals and they were too vague; the role of the protagonists (the Union and the Member States) was in some respects not sufficiently organised and in others needlessly organised to excess. The growth forecasts were over-optimistic. Today we recognise that, regarding the two main goals, employment and innovation capacity, our targets have not been achieved and we have fallen further behind our leading partners.

How can the European Parliament help to breathe new life into the collective action of the present 25 Member States?

First of all, on 9 March, in the wake of closely coordinated political efforts, drawing on input from all the committees concerned, Parliament, acting by a very substantial majority, adopted a resolution encapsulating the different policy approaches and national concerns.

The resolution sends you some simple messages, for instance:

- The balanced relationship linking the three pillars, competitiveness, social aspects, and the environment, must not be altered. I liked the image that Mr Juncker used at our recent interparliamentary meeting: he spoke of a little fir tree, though not a Christmas tree, with a few baubles hanging on it; if one of the baubles were to fall off, the whole tree might be in danger of toppling over.

---

## SPEECH BY THE PRESIDENT

---

- The Lisbon strategy should be pursued through national action plans, for which each government should appoint a minister responsible for coordination. One of the weaknesses of the Lisbon strategy is, to quote Mr Barroso, that it has not been sufficiently taken on board at national level. We must not, however, undermine European added value.
- The Member States should be called upon to take the steps required to ensure that research and development expenditure is raised to at least 3% of national income, European funding is doubled, and a European research council is set up to act as an independent advisory committee.
- The European initiative for youth being proposed by several Member States should be supported with a view to promoting a 'European Youth Pact'.
- National and European budgets and the future financial perspective for 2007 to 2013 should reflect the aims being sought.

As you know, the European Parliament sets great store by this last point, given that it is one of the arms of the budgetary authority. I do not doubt that the current proceedings in the temporary committee, which I chair, will help to bring about a satisfactory solution in June. I would remind you that if agreement is to be reached on the financial perspective, an agreement is likewise needed between Parliament and the Council. Otherwise the Union will run the risk of protracted deadlock, and our fellow citizens will find it increasingly hard to understand why there should be such a mismatch between avowed ambitions and their practical results.

As far as environmental policy is concerned, we intend to work with you on the proposed declaration on sustainable development due to be adopted in June. We can already say at this stage that we strongly support the target figures laid down in the draft conclusions.

Last week the European Parliament hosted a large meeting with about 130 national Members of Parliament from the 25 Member States, together with representatives from the candidate countries. When I set out to organise the meeting, I took the view that the interparliamentary dimension might enrich our discussions on the Lisbon strategy. The meeting was attended in strength, commensurate with the immense need for information and the collective determination to play a much more active part in the process, working in tandem with the governments and with labour-market players.

In the wide-ranging debate the first trends started to emerge:

- There is broad support for the concept of balance in terms of the pillars, although a minority lays stronger emphasis on the economic pillar.
- The national action plans are considered a matter of great importance.

---

## SPEECH BY THE PRESIDENT

---

- There is extreme wariness of anything that might encourage fiscal or social dumping.
- Many Members have linked the Lisbon strategy to the financial perspective and revision of the Stability and Growth Pact.

This meeting, which we hope to repeat before every spring European Council, has proved its worth. It has helped to raise awareness among national representatives, as well as among their counterparts in the European Parliament, and to lend a greater parliamentary dimension to European integration.

The need to respect the balance between the three dimensions of the Lisbon process entails very far-reaching policy decisions. The parliaments must be party to this, as it is they who will have to adopt and enforce many of the reforms required.

Ladies and gentlemen of the European Council,

I should also like to stress that the quality of European legislation is central to any strategy that aims to strengthen our competitiveness.

The regulatory framework for the European economy should be comprehensible, simple, and as little a burden as possible. We are aware that any regulation at European level replaces 25 systems of national regulation acting as a downright handicap to the smooth running of the internal market.

Yet Community directives should also be absolutely necessary, should not be excessively detailed, and should be transposed faithfully, without adding too many national touches that might complicate matters. Their impact should be assessed before any decision is taken and reviewed regularly thereafter. The assessment must be objective, and our institutions should adopt a common methodology for that purpose.

It was against this background that we received last week's Commission communication on better law-making, following an agreement adopted by our three institutions. Each institution needs to recognise that better legislation depends on genuine cooperation between the three of them, which is far from guaranteed at this stage.

At the interparliamentary meeting a few days ago, attended by Mr Juncker, Mr Barroso, and Mr Verheugen, one subject, directly related to the Lisbon strategy, inevitably cropped up in all the discussions – the directive on services. I would like to say a few words about that. Firstly, let us not forget that this text is a Commission proposal from 2004 which, in accordance with the Treaties, will be examined and no doubt amended by the European Parliament and the Council of Ministers in the course of the codecision procedure. It is consequently not in force.

I am very worried about the great confusion surrounding this text. What exactly is it about? If it relates to freedom of establishment, that has long been dealt with, and the 'country of origin' principle does not apply. If it relates to the freedom to provide services, the text is, to put it mildly, unclear and leaves many questions unanswered. The Commission itself made the same point a few days ago when it addressed Parliament in plenary.

---

## SPEECH BY THE PRESIDENT

---

We must all endeavour to explain so as to ensure above all that one half of Europe will not feel that it is battling against the protectionist tendencies of the other. And do not let it be said either that opposing this proposal for a directive means opposing the draft Constitution. The two are unconnected.

The debate that has just been launched within the European Parliament will be vital and a high point for parliamentary democracy. It will enable us to probe into the text in depth, and I am convinced that our amendments will help to preserve the European social model. We have long been in favour of completing the internal market, but, at the same time, we reject social dumping. As our resolution on the Lisbon strategy states, the aim is to achieve ‘a single market in services, with a balance between market opening, public services and social and consumer rights’.

Determining this balance will be a crucial exercise in political judgement: a democratic debate will be needed, and the European Parliament will be the appropriate forum in which to conduct it.

Ladies and gentlemen of the European Council,

I note the political agreement reached by the Ministers for Economic and Financial Affairs on the Stability and Growth Pact, even though its substance prompts differing reactions within Parliament. This example shows that, while observing the fundamental criteria, by which the European Parliament sets great store, it is possible to maintain a degree of flexibility, reflecting a European Union in which everyone can understand the concerns of others without jeopardising the whole. Moreover, in its February 2005 resolution, the European Parliament recommended ‘a greater emphasis in the Stability and Growth Pact on economic developments’. Without this agreement, the Union would be at a dead end.

The Lisbon strategy, the financial perspective, the Stability and Growth Pact, the proposed directive on services – these are all subjects whose implications affect citizens in their daily lives. The same goes for enlargement, which needs to be explained better in order to highlight its benefits. Parliament is preparing to vote on 13 April on whether to give its assent to the accession of Romania and Bulgaria with all the care needed to ensure that this new enlargement will mean political, economic, and social progress for all. It also wishes to be closely involved in the monitoring to be carried out by the Commission up to the time of accession. This must be genuine supervision and not a mere formality.

Now that the process of ratifying the Constitution has begun in several Member States, Europe must offer our fellow citizens a better future through a fresh institutional framework, the Constitution, or by shaping economic, social, and environmental policies for their benefit.

The three institutions have to work together under better conditions. Parliament has welcomed the guidelines on which the Commission is proposing to base its action over the next five years. This attitude, combined with our endorsement of the proposals concerning the mid-term review of the Lisbon strategy, demonstrates our resolve to foster interinstitutional understanding and work in full cooperation with the Commission.

---

## SPEECH BY THE PRESIDENT

---

Ladies and gentlemen of the European Council,

The Luxembourg Presidency is facing nothing short of an obstacle race.

The agreement on the Stability and Growth Pact has enabled the first obstacle to be surmounted. Parliament is convinced that the same sense of responsibility and spirit of compromise will serve to revitalise the Lisbon strategy and pave the way for an agreement in June on the future financing of our Union.

Many thanks.

---