

EUROPEAN PARLIAMENT



SPECIAL EDITION

*DIRECTORATE FOR THE PLANNING
OF PARLIAMENTARY BUSINESS*

EUROPEAN COUNCIL 16 and 17 October 2003 Brussels

**SPEECHES BY THE PRESIDENT, MR PAT COX
PRESIDENCY CONCLUSIONS**



06/S-2003

*Directorate-General for the
Presidency*

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(Intranet) <http://www.euoparl.ep.ec/bulletins> (Special Edition 2003)
(Internet) <http://www.euoparl.eu.int/bulletins> (Special Edition 2003)

\\EPADES\PUBLIC\SOMMET\Bruxelles

SPEECHES

**SPEECH OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT
TO THE INTERGOVERNMENTAL CONFERENCE MEETING
AT THE LEVEL OF HEADS OF STATE AND GOVERNMENT**

16 OCTOBER 2003, BRUSSELS

Mr President,

This meeting of the IGC, at the level of Heads of Government, will focus on institutional issues. As we agreed yesterday, I will give you Parliament's view on five distinct institutional questions:

- the role of the Presidency of the European Council;
- qualified majority voting;
- the composition of the Parliament;
- the Foreign Minister of the Union;
- the composition and functioning of the Commission.

And I will, if you will allow me, make two general points at the end.

The role of the Presidency of the European Council

The Convention's proposal, for a Presidency of the European Council, is an attempt to address the need for continuity in the Union's work.

He or she will be a Chair more than a President. He or she will not be a Head of a new State, but the guardian of the continuity, the promoter of the consensus and the cohesion of the Union.

In the view of the Convention, what is proposed is a new office, but not a new institution. The President shall chair the Council, do so in cooperation with the President of the Commission, and on the basis of the work of the General Affairs Council. Certain clarifications are needed to facilitate agreement and to allay fears about this innovation, but these are questions more of organisation than of constitutional texts. The constitution should not be overloaded with detail. What the European Parliament is seeking is greater continuity in the work of the European Council, without upsetting the institutional balance.

Similarly, for the sectoral Councils, the treaty should establish certain principles, but it should be for the European Council to decide any details of their organisation. I note the scepticism expressed at the Foreign Ministers' meeting about a separate Legislative Council. In Parliament's view, the key points are that, for all legislative procedures, the principle of transparency should be respected. Whenever Council is deliberating on the laws of the Union, it should do so in public. Furthermore, all these legislative decisions should be taken at a political level; Parliament, the other branch of the legislative authority, needs a political interlocutor in Council for all the necessary negotiations, prior to the joint exercise of our decision-making responsibility.

Qualified Majority Voting

The European Parliament welcomes the extension of qualified majority voting - and its democratic and parliamentary corollary - co-decision -, as proposed by the Convention; the number of areas covered would more than double. It would become the norm for most legislation.

We are not proposing a shopping list of extra items for qualified majority voting, but there should be some flexibility. At times in its history, the Union has recognised the need to act swiftly and to face new challenges (9/11; completing the internal market).

The Parliament accepts that, on certain sensitive questions, unanimity will be retained, but a veto in a Union of 27 or more is not a democratic safeguard; it is a millstone round the Union's neck. Those who believe in a political Europe must provide Europe with the means to act politically.

We strongly support the Convention's response to this need for flexibility with what is now generally called the "passerelle" (art. 24 : possibility for the European Council to adopt, by unanimity, a decision allowing the Council to act by qualified majority in a given area).

We welcome the possibility this provides for you, the members of the European Council, to make new decisions when you all agree that they are necessary. If a crisis occurs, or a new challenge presents itself, the Union will not have the luxury to refabricate its constitutional arrangements at leisure before it can intervene effectively.

The Parliament welcomes the reform of qualified majority voting proposed by the Convention, with the simple double majority formula, rather than the complexities of the Nice Treaty. In our view, it will enhance efficiency in decision-making and be more comprehensible than the Nice complexities.

The composition of the European Parliament

By a large majority, the European Parliament has approved the proposal of the Convention, and the principles behind it (fair representation of citizens; legitimacy of the European Parliament and its decisions).

If movement on one or other issues causes any changes in the proposed composition, the European Parliament will insist on criteria of objective rationality behind the rules for the distribution of seats.

Those criteria will certainly be taken into account by us when giving our required assent to European Council's decision on the composition of the European Parliament, which has to be on the basis of the proposal of the European Parliament.

A middle-of-the-night, under-the-counter deal, at the end of the year, in which Council votes or seats in the European Parliament are handed out from a Christmas stocking, will discredit the noble enterprise we have undertaken. A constitutional clause, not Santa Claus.

The Foreign Minister of the Union

Parliament warmly supports this, one of the most significant innovations in the draft constitutional treaty. It would provide coherence and visibility to the Union's external policy. By giving to the Minister the job of chairing Foreign Affairs Councils, it anchors the Minister's work in Council, where decisions on sovereignty-sensitive foreign policy issues will principally remain. Equally, ensuring the Minister is a senior and leading Member of the Commission guarantees executive responsibility and the indispensable accountability to Parliament. For it to work, the Foreign Minister function will have to be backed up by adequate resources.

This is the litmus test issue; are the Member States prepared to give this signal, that we are serious about acting together on the world stage?

The composition of the European Commission

The Nice Treaty already recognised that there would be a stage when not every Member State had its own Commissioner. This is acceptable, provided all Member States have access to the Commission, on an equitable basis. The Convention has sought a formula to combine a slimmer, more efficient Commission, with equal representation for small and large Member States over time. This may not be the only way of proceeding, but the burden of proof is on those with alternatives; how to provide for a Commission which works in a Union of 27 or 28 tomorrow, and of more Member States thereafter, while preserving the principle of equality?

Concluding remarks

The Italian Presidency has set an impressive pace in organising already three IGC meetings at the political level, but the Presidency cannot do it all. We hope that the temptation to re-open a long list of items, which have already been discussed at length in the Convention and which have already been accepted with a large consensus, will be resisted. When I hear some of the comments reported at ministerial level, I do fear that some appear to be starting all over again, as if they had in front of them a blank page. We need to emphasise the innovative, not fall back on the second-best.

As I and others said in Rome; those who refuse the consensus solutions reached by the Convention should make proposals capable of achieving a similar large consensus.

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Finally, Mr President, we welcome your efforts to open up this process, with IGC documents on the web. Next week, in the European Parliament in Strasbourg, we will be organising the first of a series of debates with national parliaments which we will be holding throughout the IGC, and we are indebted to Mr Frattini for agreeing to participate in these meetings.

**ADDRESS BY PAT COX, PRESIDENT OF THE EUROPEAN PARLIAMENT,
TO THE EUROPEAN COUNCIL****BRUSSELS, 16 OCTOBER 2003**

Mr President,

I gave Parliament's views on the Intergovernmental Conference at this morning's meeting. During the working lunch, you gave me the opportunity to raise certain Foreign Affairs issues¹, so I will concentrate my remarks on the economic questions which are on the agenda of the European Council, with just a couple of points on Justice and Home Affairs.

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Of course, the European Parliament firmly supports any initiatives designed to enhance growth in the European Union. So we welcome the prospect of any agreement on the Trans-European Networks - Transport infrastructure programme. We are looking forward to examining the "Quick Start" Programme, based on preparatory work in the Commission, and with the active cooperation of the EIB.

In a period of low international interest rates, finance should be available for projects capable of stimulating growth. But we need to move forward strongly in eliminating technical, legal and administrative obstacles which could jeopardise the success of large-scale infrastructure or R&D programmes. I am also very strongly of the view that the private sector must be mobilised in this quest for growth through public-private partnerships (PPPs).

In your annotated agenda for the meeting, you raised an item which may, at first sight, sound purely technical; the request for the Commission to clarify ESA 95 principles on the national accounting treatment of PPPs. In fact, this is not simply a question of accounting techniques, but is a very political issue. If the risks attached to private resources mobilised for public projects continue to show up in our national accounts as public expenditure, they will have a significant impact on Member States' ability to respect the provisions of the Growth and Stability Pact. This question, therefore, has a direct effect on Member States' margins for manoeuvre, at a time when a significant number of Member States are finding it difficult to respect the Pact's budgetary criteria.

¹ During the working lunch, the President raised three points:

- i) Parliament's willingness to provide budgetary support for reconstruction in Iraq. He informed the European Council about the deliberations of the Budgets Committee, which will be subject to a vote in plenary next week.
- ii) the very widespread and deep concern in Parliament about the security wall constructed by the Israelis.
- iii) in the light of his own recent visit to the countries of the West Balkans, the need for the Union to pursue a policy of active engagement, to encourage the positive developments in attitudes towards European integration emerging in the region.

Progress at today's meeting on the growth initiative is only part of the picture. Europe's competitiveness and potential for growth will largely be determined by the actions of the Member States and their success in promoting economic reform. The front line in these battles is in Berlin, in Rome, in Paris, in the national capitals, not Brussels-Europe. Social and labour market reforms in the Member States are the determining factors in a growth strategy for Europe. The decisions must be taken nationally, but what is at stake is Europe's economic future. Those national leaders, like Gerhard Schröder in Berlin, Jean-Pierre Raffarin in Paris, and you, Mr President, who are leading the moves for reform, have to take the decisions in a national context which you believe to be workable, and appropriate, and it is for your parliaments and your public opinion to decide. But those who are leading this debate at the national level need clear backing from the European Institutions. So far, the European Union has been too silent, its support imperceptible, yet Europe will be the main beneficiary of the success you will have with the national reform programmes.

Let us not under-estimate the gravity of the competitive situation that Europe finds itself in.

By the year 2000, the European Union only produced one-quarter of the number of patents per million inhabitants of the level achieved by the United States. Even the most successful Member States of the European Union could only manage half the American level. It took us 28 years of discussions to make progress on a Community patent, and even then, the result is costly. And there is a very long transition period to add to the years of procrastination and delay.

On strategic investments, we fully back the 3% target set in Barcelona for R&D investments. Of course, the main booster for R&D must come from the private sector, but one-third should be coming from public investments. In the modern research-driven economy, Europe remains behind the curve. The US again is far ahead of us, spending 2.7% of its GDP on R&D, compared to 1.9% - the European average.

So, we set a brave target in Barcelona, and we are very far from achieving it. One of the problems of our deliberations in the European Institutions is that we are strong on rhetoric, weak on delivery. It reminds me of the famous misquote of former Chicago Mayor, Richard M. Daley, who, instead of using the phrase "a higher plateau of achievement, mis-spoke of a "higher achievement of platitudes". What we need in Europe are fewer platitudes, and more attitude.

We need to back our targets with sustained action, and give backing to those who are in the forefront of the battle for economic reform.

And we have to make sure that when we legislate in the European Union and set the regulatory framework for economic activity, we are not hampering Europe's competitiveness.

We recently concluded an agreement to improve the quality of our law-making. Institutions are now committed to providing impact assessments on draft legislation and amendments to the drafts. The priority area for assessing impacts is on competitiveness. We should work together to subject our proposals to serious and objective analysis of the effects that they will have on jobs and competitiveness in the Union.

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Let me make just a number of brief comments on the Justice and Home Affairs items on your agenda.

I support the proposed European Borders Agency; it is a national and a European obligation to provide effective border controls. As to the proposal for quotas, this is not a matter on which the European Parliament has an established view, but I know that the very sensitivity of the question will cause great concern in Parliament.

In the areas of Justice and Home Affairs, we again come up against a delivery gap. The Tampere European Council in 1999 set ambitious targets; The Commission and Parliament have been working hard on initiatives in the areas of asylum and immigration policy. On the six most recent initiatives where work has been completed in the European Parliament, the items are stalled in Council, sometimes for as long as two years. We need to submit our rhetoric to a reality check. The objectives that you set are not being met because of difficulties within the Justice and Home Affairs Council.

Europe as an area of freedom, security and justice is not just a question of immigration, asylum and controls. It is also a question of respecting fundamental rights. One area of particular concern to our citizens is data protection. I regret that, years after an agreement to set up a European Data Protection Authority, we still do not have the people in place to carry out the work, unify our standards and clarify our position vis-à-vis our partners.

Your work in the areas of economic reform and Justice and Home Affairs will bear fruit if the ambitions that you enshrine in the conclusions are followed through with the active support of your Ministers in the relevant Councils, where the decisions are taken and carried through.
