

Memorandum

Greece's Initial Contribution to the Debate on the "Future of Europe"

The need for a genuine political debate

1. The European Union (EU) is at a critical crossroads. The Nice Treaty marks an important step in the direction of making the Union capable of enlarging itself with the countries of Eastern Europe and the Mediterranean. Enlargement represents a historic challenge that the Union must accomplish successfully as a prerequisite for consolidating stability, democracy and prosperity across the Continent. Enlargement is however only one of the processes currently unfolding in the Union. The launching of the single currency , Euro, the structural transformation of the European economy ("Lisbon process"), the challenge of globalization are all parts of the wider process that affects the prospects and dynamics of European integration.

2. Moreover, the European Union, as the central pillar of European stability for the past decades, is faced with the twin challenge of instability in its immediate periphery (i.e. Balkans) and growing questioning of its purpose and objectives from inside, from the European society and its citizens. The dwindling popular support for the European institutions is a cause of serious concern. This democratic deficit needs to be addressed and urgently corrected as the indispensable condition for safeguarding the survivability of the enlarged European Union as a democratic and responsive system and as a "union of democratic states and peoples".

3. The Treaty of Nice expressly recognizes the new challenges and deficits confronting the Union through the relevant Declaration attached to it as Annex IV. To meet these, it calls for a deeper and wider debate about the future development of the European

Union involving all interested parties (representatives of national parliaments and of the public opinion, political, economic and University representatives, representatives of civil society, etc). This wide – ranging debate will culminate in the convening of a new Intergovernmental Conference (IGC) in the year 2004.

4. In our view, the debate about the future of Europe must indeed be **a wide- ranging one embracing not only the institutional aspects of the enlarged Union but also the more substantive issues relating to the objectives, purpose, *telos* and relevance of European integration to the European society**. We must start and focus, that is, our debate on the essential elements that directly affect our citizens and are likely to generate wider consensus.

In order to involve the wider public as extensively as possible in the debate, we must make sure that the agenda of the debate is of direct interest to the public. One lesson that flows from recent experience is that substantive policy issues and institutional questions form a coherent whole and they must be treated as such. Institutional questions cannot be easily divorced from policy issues. We can and must revive popular interest in the process of European integration by suitably presenting our values, objectives and purpose we want to serve by advancing the integration process.

We need, that is, to reinstate the fundamental values upon which the European Union is based and emphasize the basic principles and objectives we are committed to serve by promoting European integration. Democracy, solidarity, cohesion, equality of all member states, social justice, respect of human rights, as the values that underpin the Union, remain the terms of reference that define the political framework of our debate.

5. For better conducting a meaningful debate, a **“three - stage approach”**, as suggested by the President of the European Commission R. Prodi, seems to be necessary: first, a stage of open reflection until the end of the current year, secondly, a “structured dialogue” for the period immediately after the Laekken European Council, thirdly, a short Intergovernmental Conference (IGC). For a number of good reasons, we would prefer to see this IGC convened earlier (first semester of 2003) than in 2004. What

is important however is to make sure that the momentum for the wider public debate about the future of Europe is sustained strong especially after the Laekken European Council. Whatever forum we choose for the "structured dialogue", the wider public debate must continue.

The candidate countries negotiating for accession to the EU must also be extensively involved in the process.

6. The **Convention** we have used for drawing up the Charter for Fundamental Rights, seems to be the suitable forum for conducting the structured dialogue and preparing the IGC. The Convention can be adjusted in such a way as to include some other actors (i.e. NGO'S, etc) or to have hearing from them. The European Parliament and the European Commission along with the national parliaments must play a central role in the whole process. The Convention must present a report with concrete proposals for the new IGC by the end of 2002. We categorically reject the idea of a restricted group of wise men for masterminding the debate. Such a group will not be congruent with our objective of opening the process of European construction to the wider public . We can of course seek the required inputs on various technical issues from ad hoc groups of experts.

7. Annex IV of the Treaty of Nice commits us to address *inter alia* four questions (delimitation of competences, the status of the Charter of Fundamental Rights, simplification of the Treaties and the role of national parliaments). This is a good starting point for the agenda. But a number of other items need also to be added to the list if we are to have a meaningful process of interest to the wider public and the citizens . Among the additional questions, one can indicatively mention the problem of macroeconomic policy in the context of EMU, the social agenda and the need to embed it in the treaty , the horizontal allocation of competences (competencies between the Commission, Council, Parliament, European Council), the pillar structure of the Union, the democratic character the Union, external representation, qualified majority voting, European defence.

9. Our fundamental objective must be to make the enlarged European Union more democratic, effective and relevant to the European society and its citizens. To make it also capable of shaping policy, reaching decisions and playing a more active and

coherent role in the international system as a credible player addressing the challenges of globalization. Above all, we must ensure that the Union will remain a **"system of solidarity and cohesion"** serving the interests of all its member states in a balanced fashion. To do so, we must have a comprehensive strategy for the development of the Union in a coherent whole the political, economic and institutional aspects. It must be clear that no institutional design can succeed in a Union of uneven development unless it is underpinned by strong cohesion policies.

More specifically, for Greece the future European Union must:

(i) safeguard the position and role of the country in whatever new institutional system emerges

(ii) guarantee the necessary redistributive policies of solidarity and cohesion with a sufficient budget that would contribute to strengthening the social dimension of the Union, the European social model as well as the reduction of the interregional and social inequalities.

(iii) develop its common foreign and security policy and common defense in such a way as to strengthen the security of all its member states, while providing the necessary guaranties to the latter to defend their vital interests.

(iv) ensure the democratic character of its institutions and processes with the wider possible participation in them of the European citizens.

9. This means that the European Union must evolve into a Political Union with strong and visible governmental institutions deriving their legitimacy directly from the European Public. Political Union will be a novel political system comprising the European Union institutions and the institutions of the nation states. Political Union, that is, is not intended to eliminate the nation state and national identities. Far from it. But whatever institutional form we choose for the Political Union, one thing we judge to be absolutely indispensable: the preservation of the **Community model** and method of integration. This model needs to be strengthened and form the basis for the construction of the Political Union. In this model, the role of the European Commission is and must continue

to be central as the governing body of the European Union. The European Commission must progressively evolve into a genuine executive, governmental body of the European Union retaining however its *exclusive right of initiative* in the legislative process.

10. In order to enhance the democratic legitimacy and transparency of the integration process and the European Union, as an evolving Political Union, we may, *inter alia*, consider:

- (i) the direct election of the president of the European Commission by the European electorate under the appropriate electoral system,
- (ii) the election of the other members of the European Commission by the European Parliament from a list of candidates to be provided by the governments of the member states (European Council),
- (iii) the election of the President of the European Union as the visible head of the new political entity.

11. The elaboration of a **constitution** for the European Union could, under conditions, be an extremely important instrument as a means of bolstering the democratic character of the European Union bestowing it with greater popular legitimacy. The Constitution must also be a mechanism for deepening integration, not prematurely freezing it. The elaboration of the Constitution can start from the process of simplifying the Treaties on the basis of the work already done by the European University Institute (EUI). The Charter of Fundamental Rights must be part, as a legally binding component, of any new constitutional arrangement for the European Union. The European citizenship must also be reinforced.

12. **National Parliaments** have an important role to play in the integration process as channels of democratic legitimacy, accountability and control. They must therefore be reconnected to European institutions and processes in a more effective way. A variety of institutional measures can be envisaged to that effect. Nevertheless it would be unwise to set up a new chamber composed of representatives of national parliaments. This is

bound to make the EU's legislative process more complicated, less transparent and less comprehensible by the people. The Council of Ministers must eventually evolve into the second legislative Chamber of the Union while the European Parliament must acquire greater legislative and budgetary powers.

13. The European Union is in a process of dynamic evolution responding flexibly to the changing environment, needs and conditions. Flexibility and adjustability must be preserved particularly in the allocation of the Union's competences. Although it is essential to clarify the way in which the Union's **competences** are exercised by defining a set of principles and criteria (subsidiary, solidarity, etc), it would be impossible (and indeed undesirable) to draw a catalogue of competences for the Union or the member states. To ascribe competences at different political layers in a strict fashion does not seem to be the appropriate method of resolving complex socio-economic problems. The European Union is not so much about *allocated* competences as about *shared* competences. Different problems call for different solutions at different periods in time. Moreover one must bear in mind the need not to dilute the Union's *acquis* or to renationalize important components of the Union's policies.

14. The role of the European Union in the globalized, international system must be strengthened. Economic and trade power must be matched by political power. The Union must therefore be equipped with the instruments, policies and means that would enable it to act as a credible global player. This calls for the re-examination of the Union's international representation, the institutional development of common defence (CESDP) and the decision - making mechanisms for the shaping the Union's global policy.

15. In sum, it is imperative to forge ahead with the decisive deepening of European integration as we are about to enlarge the European Union to twenty-seven or more member states. Deepening must occur across all dimensions : political, institutional, policy and budgetary. The Union must develop its policy instruments, institutions, budget and system and embed them in the democratic framework of the European society.