



**EUROPEAN COMMISSION**

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## **Speech by President Barroso at the Brussels Think Tank Dialogue**

*Check Against Delivery*  
*Seul le texte prononcé fait foi*  
*Es gilt das gesprochene Wort*

Brussels Think Tank Dialogue: "The State of the EU in 2013: Heading towards Federalism or Fragmentation?"/Brussels

**22 April 2013**

Chairman,

Ladies and gentlemen,

Distinguished guests,

Dear friends,

Let me first thank you for the invitation to open what is indeed a very important debate. And let me congratulate you, some of the most important think tanks that work on European affairs all over Europe for having taken this initiative.

I agree that, at times when Europe often seems to shift between integration and fragmentation, we need to come clear about our political plans, options and intentions. Today's programme shows that this is much more than a semantic discussion: it is a fundamental choice we have to make if we want the European idea and the European values to succeed both within and beyond our borders.

I for one have not been afraid to use the forbidden word: federalism.

In last year's State of the Union speech in the European Parliament, I have clearly described the need to move towards a federation of nation states. I felt I had to put forward this idea at this point in time because that should be our political horizon, that is what we need to tackle the challenges of the future, and we should not be afraid to use that particular expression. Indeed, one of my distinguished predecessors, Jacques Delors, has used the term as well, and I believe with the same rationale behind it. So we can say that at least the European Commission has a consolidated doctrine on the matter.

A half-hearted attitude towards the project of European integration only serves to strengthen its opponents; to concede the political momentum to those on the side of nationalism and populism. Only by calling it by its name do we get a chance to debate the real issues, to make clear what is behind the word federalism.

To begin with, it has precisely the opposite meaning of what a lot of people suspect or fear. As I said in the State of the Union, what is meant by such a federation is 'not a superstate (but) a democratic federation of nation states that can tackle our common problems, through the sharing of sovereignty in a way that each country and each citizen are better equipped to control their own destiny.' So what I said is clear, even if I know that federalism sometimes is ambiguously read in different languages. It implies an explicit acknowledgement - about which I feel very strongly, coming from a country with a long and living history - that we cannot unite Europe against the member states, so we need to build it with the Member States. As I said in my speech at the time: 'I believe in a Europe where people are proud of their nations but also proud to be European and proud of our European values.'

Speaking of Europe's federalism is all about clarifying the way ahead for Europe without denying the past and the present; about openly, realistically and democratically discussing the medium and long term.

Ladies and gentlemen,

One of the reasons why the term federalism is so sensitive is of course the idea or the suspicion that countries would be overshadowed by a unified, centralised federal state.

For European countries, most of which have fought long and hard to become united and/or independent, the thought of being a mere sub-federal entity is unbearable. This aversion to centralisation is both understandable and unsurprising. One of the classic 19th century Irish nationalist songs goes: 'and Ireland, long a province, be a nation once again'. It is only natural that such a nation does not want to go back to being, even if only symbolically, 'a province once again', and the same feeling lives just as strongly in many, if not in all Member States.

Whether or not we agree or appreciate that sentiment, is not the point. The point is: we cannot deny it. We could not cast off the weight of history, even if we wanted to.

That should not be news for us. In 1900, the French *École Libre des Sciences Politiques* devoted a whole conference to a debate about 'Les États-Unis d'Europe' - one of the first systematic approaches to the issue, exactly with this expression, 'Unites States of Europe' - and already then explicitly recognised and explained the fundamental difference between the not-yet-united states of Europe at the time and the federal union on the other side of the Atlantic:

'Pour qui veut réfléchir à tous les traits physiques, politiques, historiques qui différencient les deux continents,' its final declaration read, 'en Europe, à l'opposé des anciennes provinces coloniales dont sont issus les Etats-Unis d'Amérique, il existe des peuples multiples et divers, des nations différentes ayant chacune une individualité nationale ancienne et vivace, illustrée par un passé glorieux, possédant le plus souvent une langue de haute culture et une littérature originale.'

Entre ces nations diverses, à caractère si tranché, on ne conçoit pas une fusion politique qui absorberait les glorieuses nationalités de l'Europe dans une unité nationale nouvelle, et de tous ces peuples, si justement épris de leur personnalité historique, ne ferait plus qu'un seul et même peuple.'

So the problem is not the political integration, the problem is to have an integrated single national unity at European level. This was said 113 years ago, when the American civil war was still fresh in people's memories and the most turbulent part of the different, antagonistic histories of the European states was yet to come.

Already then it was clear that Europe's unity would be formed along a different, specifically European model.

Any federal system is to a large degree original, *sui generis*, different from all the others and developed from within.

A standard definition of federalism simply reads: 'A system of government in which power is divided between a central authority and constituent political units; an encompassing political or societal entity formed by uniting smaller or more localized entities.' When I was in Geneva in the early 80s, working with a great European federalist, Denis de Rougemont, in his *Dictionnaire Internationale de Federalism*, that was posthumously published, this was the current definition of federalism. So federalism is in itself a concept with two faces: searching for unity whilst recognising, respecting and reconciling genuine autonomy. At its very core is the idea of unity in diversity. Now, what can be more European than that?

The European Union as we know it today already has a number of undeniably federative elements: a supranational European Commission with a mandate to promote the general European interest, a directly elected European Parliament, an independent European Central Bank and a European Court of Justice based on a system of law, the primacy of which is recognised over national law. All of these institutions have supranational powers which increased over time.

This division of power between the central level and the component states is never set in stone and will always be disputable and disputed. Even in established federal states, from the US to Germany, there is an ongoing debate about subsidiarity, about what the federal government can and must do, and about where its power ends, and should end.

This too is an integral part of federal democracy.

Ladies and gentlemen,

The financial crisis has underlined the weaknesses and inconsistencies in our institutional design and since then, step by step, we have come a long way to addressing these problems. In terms of economic governance - with the legislation known as the 'six pack', the 'two pack' and the Treaty on Stability, Coordination and Governance - in all these legislations, the balance of power has shifted further towards the European level, with new competences and a much stronger role for the European Commission. Institutionally, we are now more integrated than we were before.

The progress we have made over the last few years, since the crisis, in these institutional political issues, is not always acknowledged. We have taken major steps towards more and better integration, towards a real economic and monetary union. Despite the crisis or rather: because of the crisis, against the odds and contrary to the thinking in some circles, we have countered the risks of fragmentation precisely by uniting against common challenges, applying what amounts to a federal approach. And while there is some tension between the intergovernmental and the community method, it is interesting to notice that the European Commission is even given a role in intergovernmental instruments as foreseen in the Fiscal Treaty.

This goes beyond economic governance even. For instance, the European Commission's authority is now relied on not just to review the compatibility of national law with European community law but even to check the compatibility of the constitutional order of Member States with the values of the European Union.

When needs, expectations and demands are federalised, so to speak, institutions are bound to follow. That is so far one lesson of the crisis.

Ladies and gentlemen,

Federalism is also a dynamic concept. The idea of a federation as a process, an evolving and incremental political and institutional reality, an ever closer union, has always been part of the European idea.

I personally see no contradiction between a functionalist approach and federalist aspirations. The two are perfectly compatible. They very often go together.

Indeed, Jean Monnet's method has also been called 'functional federalism'. He realised better than anyone that Europe, precisely because of its problematic history, its colourful national identities and plural public opinions, would never be built 'all at once, or according to a single plan,' as it was described in the Schuman declaration. Nevertheless he, and the other "founding fathers" of the European Community, like Schuman himself, or Konrad Adenauer, and others, found a way to break down the concrete walls of impenetrable national sovereignty and change the logic of the relationships between states, replacing international power politics by a law-based order; turning the *fata morgana* of strict national independence into a wake-up call for Europe's interdependence; opening the way to European unity 'through concrete achievements which create a *de facto* solidarity'.

This dynamic was present at every step of the European integration process, because the logic behind it has proved to be correct: from the European Coal and Steel Community to the European Economic Community; from the Single Market to the Economic and Monetary Union; from the incomplete Economic and Monetary Union to the further integration efforts we have seen since the crisis and we will develop further in the years to come...

Time and again practical cooperation has reinforced the trend to political integration; shared problems have led to shared solutions; small steps for Member States could indeed be giant leaps for Europe as a whole.

The process towards an ever closer union continues. With the Blueprint for a Deep and Genuine EMU, the Commission has put forward its ideas on how this dynamic should be dealt with. It raises the hard questions on how to strengthen cooperation and integration in the financial, fiscal, economic and also in the institutional political field. It positively addresses the challenge to combine the indispensable deepening of the EMU with the integrity of the single market and of the European Union as a whole. And it provides some of the answers and aspirations as we see them - some concrete and short-term; others ambitious and long-term. Some depend on political will only now; others require treaty change later. All of them demand a profound political commitment to better cooperation and more integration.

Beyond the Blueprint, the Commission intends to present the broad contours of its outline for the shape of the future European Union in good time to allow the issue to be debated by European citizens and other stakeholders ahead of the next European Parliament elections in 2014. As I have said earlier, and it is also in the Blueprint presented by the Commission, for further steps to achieve the goals, yes, we will need later a treaty revision.

All this is what functional federalism means in practice: we take one step at a time, yet we can only do that successfully if we have the larger context and a long-term vision in mind.

The question is always: how do we apply the general, holistic federalist method to specific, current issues and how do we keep the institutional dynamic going forward in order to deal with them effectively.

Ladies and gentlemen,

In a sense, federalism is also an attitude: a political commitment to see things through together, to find common solutions to common challenges, no matter how serious they are.

This political unification of Europe has also taken another giant leap forward as a result of the crisis. That is why successive statements of the Euro area Heads of State and Government (let me just quote this example from March 2012) where they affirm their 'determination to do whatever is needed to ensure the financial stability of the euro as a whole and their readiness to act accordingly'. These are representing a breakthrough. Every one of these statements is an undeniable and unmistakable Declaration of Interdependence. Those who thought that Europe was a fair-weather friendship only, thought wrong.

And yet, on the political front, we must admit we still have a long way to go. In reality, there is also resistance, delays, hesitation; contradictions between decisions taken at the highest level and their implementation; and sometimes contradictions between the principles professed and the policies followed. But there is resistance, because there is movement.

Public opinion is still fragmented along national borders; political debate is still too much guided by national interests and national perceptions only; the political mind-set is often behind on the institutional realities.

This too is a historical constant. Despite its success the incremental, realistic, 'neo-functional' approach towards European unity has always been met with criticism for lacking in heart and soul. Even from those who strongly supported it.

Count Coudenhove-Kalergi, the illustrious founder of the Pan-European Movement in the 1920s and one of the fathers of the idea of European unity, voiced this critique already in 1953:

'Europe is uniting without the majority of the Europeans being ready for it,' he said, 'Europe becomes one on the level of parliamentarians and state chancelleries but not within the hearts of the Europeans.'

The same lament was heard throughout the European Union's history. Democratic integration was slower than administrative integration, and we have reached the limits of this imbalance long ago. The Lisbon Treaty was a huge step forward in correcting this, in promoting a more democratic Europe.

Now it is up to us, as engaged Europeans, to breathe life into this European political sphere. I believe the European Parliament elections are a unique opportunity to do so.

That is why I feel strongly about European political parties taking a bigger, more proactive and coherent role. If we have a genuine and open debate about Europe, citizens will feel their voices and opinions are heard and reflected in Brussels and Strasbourg. Instead of having 27, now 28 national campaigns, as usually happens when there is a European election that in fact is an addition to national elections, we should have a truly European debate. If we have a broader debate on the challenges for Europe, we are one step further towards the unity we need to tackle those challenges. If we make a closer link between the outcome of the elections and the running of the EU, voters will understand their choice really counts. The political accountability will be reinforced.

Ladies and gentlemen,

European integration has at times been driven forward by engaged citizens, by committed trade unions, by business communities who knew where their interests lay and by citizens who spoke their minds. Today, facing the economic and social crisis, we need them more than ever. We need to fully engage them in the European process.

Of course I know that this is not without risk. Most likely, in the next European elections, the eurosceptic and europhobic forces will have their share of the vote, also exploiting the current difficult context Europe is facing. But the times of implicit consent are over, and it's better to have a real European democratic debate where mainstream pro-European forces leave their comfort zone than to try to manage European challenges only in bureaucratic or even diplomatic terms trying to avoid the hard questions.

Last but not least a federation, as I see it, is also a meeting of minds.

Europe would never have succeeded and will never succeed if there is not a community of ideas to back up these initiatives.

The academic, cultural and intellectual narrative about European unity has played a key role in its history, from its inception. If the political breakthrough after the Second World War initially seemed much too distant to some, the intellectual push for genuine European integration was widespread and well-founded even at the time.

Europe was already an aspiration and a cause with popular appeal before the first political steps were possible. Numerous intellectuals - philosophers, scientists, artists and writers - formed an ideological avant-garde of creative thinking about Europe and, as their voices grew louder, their influence increased both on political leaders and on public opinion.

Then, as now, intellectuals realised that Europe needed to form a closer bloc to play its role internationally, to defend not just its interests but its values, the very ideas and ideals on which Europe's societies and cultures are built.

For the next decades, I believe the European Union will be more forward looking and more outward looking.

It will be a powerful instrument for European citizens and Member States to unite their efforts in shaping globalisation and in defending our common values. The world is changing very fast and, together, European Member States can play a fundamental role. Only united and with stronger common institutions, will we be able to tackle the challenges of economic and financial crises, of resource scarcity and climate change, of the situation in the world about poverty and underdevelopment. And, together, we will also create better conditions to protect our shared values and to keep, while reforming, our social model, our social market economy and the most important features of the European way of life.

The case for more European unity is clear:

More European integration is simply indispensable for our economy, to shield us from international rough weather, to face strong competition and to maintain the trust of markets and investors. Politicians who still doubt the arguments supporting the push for more European unity, towards a deep and genuine Economic and Monetary Union, should ask financial markets, should ask international institutions, should ask our major economic partners what they think of it.

Globalisation itself is a key driver for European unification. As the programme of this conference underlines, issues like energy supply and climate action, our global role in a changing world and our trade interests in a global economy... these issues demand a more coherent approach and a stronger voice than any Member State alone can offer. They demand a strong European Union.

Our citizens also realise that many of the problems, the risks and the threats to their welfare and well-being go beyond the level of the nation state, and so the solutions must do so as well. European integration can support national policies and strengthen European citizens' freedoms. Only Europe can provide a guarantee that the mistakes of the past will not happen again and the challenges of the future will be better dealt with.

The real risk of fragmentation comes from not hearing citizens' concerns. The real stress test today is the polarisation that is threatening to be the end result of the crisis. So there is a real risk of polarisation in Europe. I am deeply concerned about the divisions that we see emerging: political extremes and populism tearing apart the political support and the social fabric that we need to deal with the crisis; disunion emerging between the centre and the periphery of Europe; a renewed demarcation line being drawn between the North and the South of Europe; prejudices re-emerging and again dividing our citizens, sometimes national prejudices that are simply unacceptable also from an ethical point of view.

One of the effects of the crisis and the shock waves it has sent from one Member State to another, is that the finer points of the jurisprudence of the Bundesverfassungsgericht are now discussed in Greek coffee houses, while popular German TV shows debate the state of the Cypriot banks' balance sheets. This debate can be divisive, but it can also be instructive. It can be a step towards a European public sphere. And it can certainly not be ignored. The worst thing for the EU is the political indifference of moderate forces that leaves the initiative to all kinds of populism and narrow nationalism.

And here comes the role of democratic debate and political vision. It will take leadership to counter these troubling trends. It will take a broad and open discussion on what Europe really means, on where its potential and its pitfalls lie. A debate beyond swear words and taboos, in which the general European interest is defended and mobilised as clearly and forcefully as possible, where a positive and forward-looking vision is voiced as strongly and enthusiastically as ever before.

We need a reflection, indeed, on the real state of the European Union today – in the beginning of a century that promises to be as transformative for Europe as the last one was.

Let me conclude by saying that, knowing all the difficulties and challenges, I am confident that the European Union will once again rise to the occasion. But that will not happen automatically, just because of some “spill-over” effects or historic fatalism. As Denis de Rougemont said speaking about Europe “L’avenir c’est notre affaire,” and yes, the Europe of tomorrow, depends on the choices we will be able to make today.

I thank you for your attention.