

The InterGovernmental Conference: the British view

A few weeks ago, I was asked whether I would like to give a speech to a Romanian audience on the big European issue of the day. I agreed wholeheartedly. Where better to test my theories on Romanian superstar Adrian Mutu's effect on Chelsea's chances in the European Cup, I thought. Then my Private Secretary told me they meant they wanted me to talk about the IGC.

The United Kingdom is looking forward to the Romanian ministers sitting in the European Councils of Ministers and to Romanian members of the European Parliament coming to Strasbourg.

In just over three years, Romania is joining the European club. This Europe will be very different to the EU of today. Europe's expanding. Ten new members next year. Romania and Bulgaria in 2007. And more to follow. The challenges and opportunities facing this new, enlarged EU will be different too. So what we want from this Europe and how we want it decided is a pretty important question. Speaking here in one of the great European cities of South East Europe the answer is clear: we want to Europeanise the Balkans, not Balkanise Europe.

Romania, Britain and the other 26 independent, sovereign nations that form the Intergovernmental Conference are working on the answer. Prime Ministers Nastase and Blair and other Heads of Government were in Rome earlier this week to start the process off. And Messrs Geoana and Straw and their Foreign Minister counterparts will continue it. Modelling a new constitutional treaty for Europe on the basis of the text drawn up by the Convention.

What do we want them to come up with? In my view, we need a new constitutional treaty that does three things:

First, the treaty must enable the Union to deal with the problems of today, rather than those of fifty years ago. We need to ensure that the Union delivers for Europe's people. This means we need to focus the Unions' efforts on areas where it can add value. Things like environmental protection , economic reform and the EU's external borders. There are so many, it would be impossible to do them all justice here. But we should recognise that the EU cannot always add value. And where it does not, issues are better left in the hands of national governments.

Second, the treaty must improve the effectiveness of the EU's institutions. The origins of the IGC lie in the unfinished business of the Treaty of Nice. Nice settled the simple mechanics of enlargement. But it did not focus on how a Union of 25, 27 or even 30 or more states could function effectively.

And third, the treaty must consolidate and clarify the Union's existing constitutional foundation. It must form a single, more coherent whole. It must clarify the legal basis of the Union. And it must pull together the current plethora of documents, from the Treaty of Rome to the Treaty of Nice, to produce something that the EU's citizens can understand.

We want an effective, efficient and accessible EU. An EU that takes as its starting point the sovereignty of Member States, but where Member States agree to pool sovereignty where the common interest and common sense mean that we should.

That basic position underlined the UK's approach to the debate on the Draft Constitutional Treaty. It will also guide us through the Intergovernmental Conference.

So turning to my first criterion, how well will the treaty deal with the challenges and issues facing Europe today?

We welcomed the good work carried out by the Convention under the chairmanship of Valéry Giscard d'Estaing. But the Convention was only the end of the beginning. Like any draft it is open to improvement and amendment. EU leaders made clear at Thessaloniki that it was a good basis for starting the IGC. It's almost there. But important issues still need to be determined.

Most EU countries have changes they want. Some of these are areas of unfinished business, where the Convention has not worked through the detail of its proposals. Some are ideas which they cannot accept. We in the UK will not support proposals to extend qualified majority voting to certain key policy areas. Unanimity must remain for treaty change and in other areas of vital national interest such as tax and social security. It must also remain the general rule for Common Foreign and Security Policy, as proposed in the final Convention text.

TAXATION

The most important contract between the citizen and his government has always been and still is that of taxation: the Lei or Pounds or Euros in your pocket. Or more precisely, the Lei or Pounds or Euros in the taxman's pocket. Last December I had the privilege of showing the German Chancellor, Gerhard Schroeder, around the British Parliament. In Westminster Hall, I showed him the spot where King Charles the First was condemned to death. Why did Parliament send a King to his execution? Because he proposed to change taxes without their agreement.

As I told Herr Schroeder, we in Britain are not yet ready to hand over tax-dictation powers to Brussels. The same goes for our social security system. We believe, as good constructive Europeans, that retaining national control over tax and social security makes sense for Europe. I can think of no swifter way of alienating the citizens of Europe than by saying that their own elected government no longer decides how much tax they should pay. Other nations share this view. I hope the IGC will leave taxation powers where they belong - close to the people and their national governments.

CFSP

Europe must gain a stronger voice in the world. But we have to tread carefully. So often the great issues of foreign policy are settled only with the use of soldiers - Kosovo, the Balkans, Congo, East Timor, Afghanistan, Iraq.

And as I told Foreign Minister Geoana this morning, I am proud that Romanian and British soldiers have worked together in many of these operations. But decisions on whether our soldiers should engage in dangerous operations overseas should only be made by a democratically-elected government consulting with its national parliament.

Our soldiers, sailors and airmen risk their lives - sometimes give their lives – to help enforce policy decisions. And as a Member of Parliament elected by these young men and women, I do not think I would be comfortable transferring the authority for them to risk their lives to a majority vote in a committee in Brussels. They serve in the name of their country. They should do so on the basis of consent by their national government.

Europe needs a coherent defence policy. And it already has the components to make it. We have a new NATO to guarantee collective security. As Romania and others join next May, this will get more powerful still. We have a strong European Security and Defence Policy to carry out European tasks. We do not need a third way in defence but rather to improve our capabilities and common military profiles so that Europe can move from declarations to action. From the conference table to the conflict zone. Deployable forces and niche capabilities are essential. Romania has set an example by providing its own transport to carry troops and equipment to Afghanistan. More European and NATO partners should follow this lead.

That is a better starting point than the establishment of new defence institutions.

Whatever the intentions of those promoting a third way in EU defence matters, they will

be seen as anti-NATO. This will only divide and dismay Europe, at a time when we have to find unity and new thinking to overcome the divisions we witnessed last autumn and earlier this year. We should be moving forward on the basis of solidarity and partnership with the great democracies of the world which share our common values.

Core questions of foreign policy must remain matters of consultation, cooperation and coordination between the member states of Europe. Brussels will not tell Paris or Berlin or Madrid what its foreign policy should be in all regards. We want more common foreign policy for Europe. And we need a strong voice for that common foreign policy. But let us not assume that we can devise a single foreign policy applicable in all cases. Or do away with Foreign Ministers in our national capitals.

HOW WILL THE EU WORK?

Let me turn now to my second criterion for evaluation of the product of the IGC: whether it will improve the effectiveness of the EU's institutions. It is common knowledge that a framework designed for the founding six has laboured at 15. As Romania knows from her accession negotiations, even on issues like enlargement that attract broad support, EU practices and procedures can be pretty slow. Without reform, there is a risk that it will become increasingly difficult for the EU to work effectively at 25 or 27.

Europe's current institutional structures lack coherence. The musical chairs of the Council Presidency is a recipe for inconsistency; the enforcement of EU law is too haphazard; Europe's voice in the world is too faint.

If the six-monthly Presidency system were maintained in a Union of 25 and then 27, the European Council - the guardian of the interests of the nation states - would lose coherence. The institutional balance, which has served the Union well for over 40 years, would shift.

For this reason the UK strongly welcomes the proposals for a full-time Chair of the European Council. This figure would add greater consistency and continuity to the work of the EU, He or she could ensure that long-term strategies determined by Member States were carried through. And the fact that the Chair would be directly answerable to Heads of Government would ensure that the policies decided upon by Member States were delivered.

COHERENT AND COMPREHENSIBLE?

Finally, turning to my third and last criterion, how clear and accessible will the Treaty be? The draft text aims to rewrite and reorganise the existing Treaties into a more logical structure. But will it help the public – the man on the street in Berlin, Birmingham or Brasov - to understand the European Union? Will it represent an improvement on the EU's current constitutional arrangements? At the Laeken Summit in 2001, EU Heads of

Government issued a declaration of intent. They concluded that European “citizens want...the institutions to be more efficient and open.” We welcomed this then and we support it now.

Most European voters are well acquainted with the workings of their own democracy. A large majority participate in national elections. But few have a broad knowledge of the workings of the EU. And fewer still would dare even to hazard a guess about the contents of the multitude of treaties which have formed the milestones of the EU’s development since the Treaty of Rome. This lack of awareness has been the Union’s achilles heel for too long. Europe’s citizens should know what the Union is doing for them, and how it is doing it.

I think the Convention’s draft **is** a significant improvement on the Union’s current constitutional arrangements. The draft text is not an easy read, and it is lengthy. But it certainly brings a sense of order to the EU’s hitherto byzantine constitutional structure. For instance, it replaces the Maastricht Treaty’s elaborate three pillars with a single treaty structure. More importantly, the text sets out what the EU is, what its objectives are and how it will strive to achieve them.

Until this point, there has never been a single text to which Europe’s voters can turn to inform themselves of the Union’s institutional framework, the relations between the member states and the Union, or the range of the Union’s competences. The finished text will serve as a point of reference for all those queries. The Treaty should provide a

constitutional settlement that will last the EU not only for this enlargement but also for those in years to come.

LENGTH

I won't make any predictions on the likely duration of the IGC. I hope it can be finished quickly. If all Member States approach with a spirit of compromise and do not try to force language or rules that are unacceptable then I believe the IGC could end quickly rather than drag on and on. But it is important, for Governments and citizens, that we secure the right text.

ENLARGEMENT CONTINUES

The IGC is the big issue of the moment for the EU. I look forward to watching events unfold. But we remember why the IGC is happening. The IGC was sparked by enlargement. It's easy to see the causal link between a larger EU and the need for structural reform. But the link actually runs both ways. The IGC is not just about making sure that the EU is ready institutionally to welcome ten new members next year. It's also about making sure that the EU can accommodate enlargement as a **process**. And the next milestone in that process is Romania and Bulgaria's accession in 2007.

The spotlight may be on the IGC. But enlargement remains a priority for the UK. And we'll be pushing at this December's European Council for a timetable for completion of

negotiations under this commission, as per the PM's pledge to Prime Minister Nastase in March. The negotiations go on. And so too must the reforms. Closing chapters is important, but it's only half the battle. Implementation is the key to making a success of EU membership.

Three years might sound like a long time for the man on the street waiting until Romania is an EU member. But for those involved in the process, three years is nothing. I'm confident that Romania will be ready to accede in 2007, but it will require a continued concerted effort.

Functioning Market Economy status is one of the more important milestones en route to membership. The eight point plan outlined by Prime Minister Nastase to Romano Prodi, the President of the Commission, in Brussels last month, was most welcome. The Prime Minister was right to make a firm commitment to undertake these important economic reforms in the next month. This underlines the urgency of accelerating reforms which we believe are long overdue. Delivering privatisation of Petrom, the Romanian Commercial Bank and other firms is a real priority. So too is liberalising the energy markets.

A functioning market economy is vital for Romania to reap the huge rewards of the EU's Single Market. But equally important to ensuring the economic success of Romania and creating an environment in which business can flourish is tackling corruption. Corruption and potential foreign investors' perceptions of corruption continue to stifle growth and the well-being of ordinary people in this country. Romania has a lot to offer foreign investors. An educated workforce, a large domestic market and a strategic location,

coupled with EU membership in a few years time, should be a winning formula. But too many investors are staying away. And they will continue to do so as long as they fear that their businesses will suffer from the blight of corruption.

Money is a coward. It goes where it feels safe. And a Minister who has taken the same message to Latin America, to Asia, to the countries just about to join the EU and indeed it is a message for all European states including the European Commission too, corruption is a cancer we must collectively root out.

Corruption begins when politics and government leads to politicians – national and local as well as the police, customs and state bureaucrats – enriching themselves by accepting money for decisions which should be impartial, honest and only made in the public interest.

Corruption takes root when businessmen believe they can buy favours, or planning permissions, or a stake in a privatised company, or a trade permit by giving money to a government official.

Corruption destroys a nation's good name when judges and magistrates are known to accept money in exchange for judicial decisions which mock the law. Corruption can have no place in a modern European economy. Businessmen and government officials and judges who exchange money for favours should have only one place in Romania – in prison.

Linked to tackling corruption, Romania needs also further to demonstrate its commitment to reform in the judicial and law enforcement field. Successfully tackling drug smuggling and organised crime requires more resources and training for judges and police and better cooperation between law enforcement authorities. These are real challenges. But you can count on the UK and other EU partners to help you with them, provided the political commitment and direction is there.

I'd like to give you an example. Yesterday I attended a reception linked to a successful UK/Romanian project called Project Reflex. This aimed to tackle human trafficking and illegal immigration: pitiful enterprises trading in human misery and exploitation across borders. The project has been a success because of the efforts on both sides. A combination of criminal intelligence specialists and equipment from the UK, and experienced and dedicated Romanian police with local knowledge. As a result, several criminal organisations are no longer doing business in Romania. Some of them are now facing criminal charges or are in prison. I hope that the UK adviser soon to be appointed to the Romanian Customs service will prove to be equally effective.

UK-Romania co-operation in Public Administration Reform is starting to bear fruits as well. For too long, ordinary Romanians contact with Romanian bureaucracy - whether for a driving licence, passport or a hospital appointment – has been an ordeal. What we are working towards: a professional civil service delivering high quality service to the public and providing objective policy advice to the Romanian Government, will be a significant achievement.

These are just two examples of where the UK and Romania working together can make a real difference. In fact the UK/ Romania Strategic Partnership launched in June this year covers all the major areas of Romania's preparation for EU membership - Justice and Home Affairs, Public Administration Reform, Agriculture, Regional Development. There are some 30 UK advisers across Romanian Government working with their Romanian counterparts.

Since back in 1999, when the Prime Minister was the first European Leader to call for the EU to start negotiations with Romania, we've been fully committed to Romania's EU Accession. We're fully committed to our Romanian colleagues joining us in Brussels, Europe's capital, in 2007. And we're fully committed to working with Romania, as we have done on the IGC, in the whole range of issues in today's Europe.

ENDING

The next few years will be some of the most challenging for Romania's efforts to meet the demands of EU accession. They'll also be tough for the EU. Absorbing twelve new members won't be easy. The EU which Romania will join will be different from the current organisation with 15 members. And working out in practice what the IGC has agreed in principle will take time. Making a success of the European Union that Romania will be joining in 2007 is important to all of us. But I'm confident that we will succeed. And I look forward to Romania and Britain sharing a new partnership in this new Europe for a new era.