

Lecture at the European Union Studies Center, THE GRADUATE CENTER, CUNY, 26  
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## **The State of the European Union**

Good Evening, Ladies and Gentlemen,

When I think about Europe, I like to visualize it as an orchestra. One that started out as a small six-piece band and has, over the years, grown into a big philharmonic orchestra. For six months this year, Germany was the conductor of a symphony that is being composed by all of the members of the European Union. At the beginning of this month, we handed over the conductor's baton to the Portuguese Republic. Today, I would like to reflect on the State of this European orchestra and the symphony it played while Chancellor Merkel and her team stood on the podium.

Ladies and Gentlemen,

It is both an honor and a great pleasure to speak to you tonight here at the European Union Studies Center. Thank you very much for the kind invitation. I am especially grateful for the work of Prof. Hugo Kaufman, and his dedication to help to sustain the important dialogue between the United States and Europe.

In the last lecture I gave here in February 2006, I promised that Germany would do everything to make its EU presidency a success. I then defined success as leadership. I declared that Germany would take up a moderate role and involve other states as part of its team. The motto of the German Presidency: "Europe – succeeding together" took up this idea and inspired our work.

Now, looking back on this time of leadership, I wish to do so in three steps:

First: Where did we start from? What were the conditions of the European Union and what goals were set at the beginning of Germany's presidency?

Second: How far could we go? What were we able to realize? What is the state of the European Union today?

Third: What are the main challenges for Europe's future?

The German presidency came at a time of deep and growing disenchantment with the European Union among the peoples of Europe. It was therefore a period marked by reflection and – as it turns out – renewal.

Reflection, because on March 25 in Berlin, we, together with the heads of state of all 27 member countries, celebrated the 50<sup>th</sup> anniversary of the signing of the Treaties of Rome – the very beginning of the European Union. Starting with just six member countries, the European idea grew into what it has become: the largest internal market in the world and a political force in world affairs. The March meeting allowed us to recollect the history of the Union as the greatest peaceful political success of modern times.

Assessing the past allowed to focus on the necessity of renewal. And renewal it was, because Germany and its partners in the European Union managed to break the deadlock in negotiations over a new European treaty. The standstill in which the European Union had been mired after the constitution was vetoed by France and the Netherlands in 2005 was overcome.

Looking at our starting situation in January, we can say Germany had many issues to tackle, but first and foremost was the issue of Europe's future constitution. It was Germany's expressed aim to rescue the essence of the constitution. That was of utmost importance mainly to those 18 member states who had already ratified the Constitutional Treaty.

We all knew that for a Europe of 27 member states to function, reform was necessary. At the same time, we had to respect the fears of some citizens of a “European Super-State.” We were open to their concerns as they demanded substantial changes to the proposed treaty.

That is why Chancellor Merkel, in her role as conductor of the European orchestra, knew from the very beginning that many special rehearsals with various members of the orchestra would be necessary to find a common harmony.

What were the major points of discussion on the Constitutional Treaty? What were the essential elements to be rescued?

First there was the question of majority voting: Which country would get how many votes and how much voting power would be needed to veto decisions? The sheer number of members inside the European Union today made a review of the voting system necessary. The voting system, as set forth along the lines of the Treaty of Nice, reinforces blocking possibilities, not the creative powers within the Union.

A second goal was the adoption of the “Charter of Fundamental Rights of the European Union” into a document that would be legally binding for all member states. The European Union sees itself as an economic power, but also as an innovative social force, combining economic competitiveness and social aims.

Third was the structure of the Union, and, among other things, the appointment of an EU foreign minister as the chief diplomat of the European Union who could represent Europe with one voice.

Aside from the reform treaty, the German presidency aimed to work on many other topics, of which I only want to name a few:

Climate change and energy security have become challenges of recent interest on both sides of the Atlantic. Rightly so! For the German presidency, the advancement of environmental technologies and climate protection were essential points.

At the same time, the German presidency envisaged some major challenges in the field of Europe's foreign relations. The Western Balkan region had high priority, as did conflicts in the Middle East, Iran, Afghanistan and Africa. Yet we also aimed to strengthen our relations with Central Asia. And, as a matter of course, ladies and gentlemen, the transatlantic partnership, which is of utmost importance for both the EU and Germany, was the focus of our interest. I will come back to the results of the EU-USA summit in just a few minutes.

I could mention many other goals and priorities, for example the internal market or freedom, security and justice. However, today please let me focus on reform and some key foreign policy issues.

Ladies and Gentlemen,

What is the **state of the European Union** now that Germany has finished its turn conducting the European symphony?

The German presidency aimed to strengthen the Union's transparency and effectiveness to better serve Europe's citizens. We consider it a great success that public opinion of the European Union has improved sharply, after a dip in recent time, and is at its highest point in the last decade. 57 % of EU citizens think that their country's membership is a good thing. In Germany and France, too, the view citizens take of the EU has markedly improved.

During the European Council Summit in June, Germany was able to break the deadlock in negotiations that had weighed heavily on the EU. In our view, we were able to preserve the most important innovations of the Constitutional Treaty and thereby retain its substance. We will be satisfied if Germany's presidency of the European Council is

remembered for its successful endeavor to further the European reform process. The outcome of the summit was the mandate for a European Reform Treaty. This will be drafted at an intergovernmental conference (IGC), which was officially opened by the respective foreign ministers three days ago – exactly one month after the heads of state and government had agreed to the continuation of the reform process. The IGC is to complete its work by the end of this year, so that the Reform Treaty can be signed in December and subsequently be ratified by the member states in good time for the 2009 European Parliament elections.

Chancellor Merkel summed up the difficult task of laying the foundation for the new reform treaty in her final speech as acting EU president before the European Parliament: “We set the course for a new common basis for the European Union. What was achieved at the EU Council in June has given Europe a new, shared energy.”

One of the most problematic points was the new system for reaching majority decisions. The proposed new system, which is oriented on the size of countries’ populations, was initially rejected by Poland – a move that almost led to the collapse of the summit. Yet, in the end, all members were able agree on a compromise: that the new so-called double majority voting system will not take effect immediately, but rather as of November 1, 2014. Double majority means that there is a majority both of the member states and of the population. This new system will make the procedures more effective and is a balanced approach to the different sizes of member states. The number of EU commissioners will be reduced to two-thirds the number of member states. In addition to the rotating presidencies – in the form of team presidencies of one and a half years – a president of the Council will reinforce the continuity of the Council’s work.

A second element of dissent was the Charter of Fundamental Rights. The European member states agreed upon the Charter in 2001; however, until now this instrument has

not been legally binding. The Charter strengthens citizens' rights vis-à-vis the European institutions. The Council decided that the Charter will now be legally binding.

Nevertheless, we must respect that the United Kingdom has decided to go its own way on this issue. Thus, for the time being, the Charter will not apply to the United Kingdom.

However, the Treaty will reinforce the role of the European Parliament, which will become a true co-legislator, on equal footing with the European Council. It will elect the president of the European Commission. All these decisions will make the EU more democratic and more transparent.

Furthermore, the Common Foreign and Security Policy will be extended. We all know that every day the need for a coherent foreign policy of the EU member states grows greater, every day the need to "speak with one voice" grows greater in a Europe that wants to assert its interests in the world. Therefore, we decided to appoint a "High Representative of the Union for Foreign Affairs and Security Policy" as the one and only chief diplomat of the EU. He will chair the Council for Foreign Affairs and at the same time serve as vice-president of the Commission. He will work with a European Foreign Service, to be created. I will not be betraying a secret by revealing that we would have preferred to call him "EU Foreign Minister." However, the United Kingdom had considerable reservations about this title.

With the implementation of the position of a High Representative, European foreign policy will be given a single profile – and a single telephone number, a standing request since U.S. Secretary of State Kissinger exclaimed: "If Europe has a foreign policy, I wish someone would tell me its phone number!" Now Americans will know whom to call.

All these changes might sound rather bureaucratic to you. And I have to confess that, although we saved the substance of the Constitutional Treaty, some of its symbolism was lost. For example, there won't be a European anthem or an official European flag. But at

the same time the people of Europe already recognize the flag and about 80% are of the opinion that it has a positive image.

The difficult discussions allowed the naysayers to raise their heads. For me it was especially interesting to observe the shifts some countries decided to make during the debate on the constitution. Some countries which had signed the Constitutional Treaty on October 29, 2004 in Rome suddenly asked for fundamental changes a few days before the summit started in June.

Ladies and Gentlemen,

The treaty reform of the European Union was definitely the major theme of the German presidency. However, it was by far not the only one. We dealt with many other issues.

Many of these issues are of global scope. This fact underlines the importance of the role that the European Union is playing worldwide. No single country can, for example, tackle the issue of climate change on its own. This challenge must be addressed jointly. Under the leadership of the German presidency, the European Environmental Council agreed on ambitious climate protection goals. Harmful emissions are to be reduced by 20% by 2020. We also adopted a negotiation package for the post-Kyoto climate protection agreement. Our goals set a landmark for the UN climate conference in December in Bali.

For Germany, it has always been important that the European Union strengthen its capability to act as a global player. Therefore, let us turn to the question: What is the state of European foreign policy?

Even though foreign policy is still a field in which the states keep full sovereignty and European foreign policy is subject to decisions taken by consensus, the European Union is perceived, more and more, as a respected actor on the international stage. Together,

Europe is the largest donor of development aid in the world. As a union, we have a place at the table as part of the Middle East Quartet and in the Doha trade rounds. Our creative influence is at its greatest when we use it on a European scale.

From the outset of our presidency, Chancellor Merkel worked to give new impetus to **transatlantic relations**. After her first visit on January 4, the EU-US Summit on April 30 achieved just this. Both sides adopted a statement on energy security and climate change. Among other issues, both partners also reaffirmed their strong commitment to intensifying EU-US economic relations by harmonizing standards. Both sides agreed to establish a Transatlantic Economic Council, which is to oversee further economic rapprochement. For the first time since the creation of NATO, a permanent transatlantic body has been created. We are confident that it will strengthen the economic ties between our two regions and make trade easier for those involved.

Together, the United States and the European Union, the two leading aviation markets in the world, agreed on “Open Skies,” an air services agreement. “Open Skies” creates a better legal framework for a common air travel market. For Europe, this means that as of March 2008, European airlines will be able to fly from any European city to any American destination. This agreement is part of a liberalization process to create a free trade zone in the air transport sector. Further negotiations with the United States are scheduled to be held by year end.

For Chancellor Merkel, it was of great importance to revive the talks on the situation in the **Middle East**. The European Union, with members like Greece and Cyprus, is a direct neighbor of the region and developments there are of great concern to Europeans. Therefore, Chancellor Merkel at her first meeting with president Bush on January 4 th

pressed for renewed talks in the Middle East Quartet format, involving Russia, the United States, the UN and the European Union.

Last week, the revived Middle East Quartet met in Portugal, where it also welcomed an initiative from President Bush to renew the U.S. commitment to a two-state solution. This week the new representative of the Middle East Quartet, Tony Blair, is traveling to Israel for the first time in his new function.

Moreover, the German presidency has pushed for a greater involvement of the Arab states. In this connection, the EU, under the German presidency, invited for the first time the Arab League and the Israeli foreign minister to the General Affairs Council for talks on the Arab League's peace initiative. Today you can read in the news that a delegation from Arab League countries were in Israel and discussed the Arab peace plan. This is really a "first". Even though the situation remains complex, some important steps in the right direction have been taken.

We shouldn't forget that foreign minister Steinmeier was also very active these past months together with Commissioner Ferrero-Waldner in negotiating the deal which led to the release of the Bulgarian nurses from **Libya**.

In the case of the still unsettled status of **Kosovo**, the EU actively supports the process on the basis of the Ahtisaari recommendations. In recent months, we have been working closely with the United Nations and our partners in the United States to provide a new UN Security Council resolution. We regret that the sponsors of a resolution putting Kosovo on the path to independence had to withdraw the resolution from the Security Council last Friday. The so-called Contact Group, Germany and US together with Britain, France, Italy and Russia, now are trying to promote direct talks between the different sides, talks limited to 120 days.

Under the German presidency, Europe developed a strategy on **Central Asia**, the block of countries that includes Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan, and Tajikistan. Due to its location between Europe, Russia and South Asia, this area is of

significant interest to Europe. We have a spectrum of common goals, ranging from efforts to achieve peace in Afghanistan, via the fight against drug transit and extremism, improved regional cooperation, and the diversification of energy supplies.

With regard to relations between the EU and **Africa**, the German presidency carried out initial work on an EU strategy on Africa. It is an expressed aim of the Portuguese presidency to continue work on this initiative. An EU-Africa Summit is foreseen for December of this year.

You might be aware that relations between the EU and **Russia** face some major challenges. That is why the EU-Russia Summit was one of the most difficult meetings under the German presidency; we were unable to complete negotiations on a modern Partnership and Cooperation Agreement. Yet, in some areas, we managed to intensify the relationship via concrete steps: for example, the creation of an early warning mechanism for energy crises.

To sum up: Although the European music might not always sound in perfect harmony it can nowadays, be heard all over the world. The European Union manages to play its global role with increasing skill

Ladies and Gentlemen,

What does **Europe's future** look like now that the German presidency is over? The German symphony has been played and the conductor's baton is now in the hands of the Portuguese. What will their beat be?

One of the most immediate concerns is to further the European Reform Treaty. The Portuguese called an intergovernmental conference. Its objective is to draw up a final treaty to reform the European Union by the end of this year, to allow enough time to

ratify the resulting Treaty before the European Parliament elections in June 2009. This intergovernmental conference started its work just three days ago, on July 23. Germany will continue to work closely together with Portugal and Slovenia, the following presidencies.

The European Union will continue to work on its foreign policy.

Europe's role will gain in importance. It stands like a bridge between the western and the eastern worlds. Many conflicts in the world take place at Europe's doorstep.

The European Union is active in many parts of the world. Let me emphasize again: In an increasingly interdependent world, most issues can only be tackled successfully if we all work together. Among these are climate change, economic and social development, dealing with migration, fighting organized crime and combating terrorism. These issues require leadership and shared responses.

Angela Merkel, who came to power and thereby became a member of the orchestra two years ago, has now been joined by Nicolas Sarkozy, who as the new French president, has a strong European vision. Gordon Brown in Great Britain is another newcomer who could play a crucial role in the future *if* decisive questions as to Great Britain's European vocation are finally decided.

The ongoing, ever-renewed discussions inside the EU sometimes irritate people – in Europe and abroad. Some even like to talk about a crisis of the European Union. Recently, I attended a small panel on this very issue, where an American journalist said that he couldn't understand all this talk about the EU being in a crisis. Where he comes from, he said, it is not called a crisis, but politics. Otherwise, he said, you would have to say that the United States has been in a crisis since 1776. Here again, if we look back at what has been achieved in the last 50 years, we see that these discussions, or if you wish,

crises, have not prevented the European Union from moving forward and extending the zone of stability and propriety in Europe in an historically unique manner.

And let me tell you: the population is overall very positive about Europe's future. Looking into the future, 2/3 see Europe as a leading diplomatic power, 56% expect it to have its own army and a majority (52%) even expect Europe to have a president elected by the people within the next 50 years.

Ladies and Gentlemen,

Let me conclude by briefly **summarizing my main points**.

Under our leadership, Europe managed to agree on a reform treaty that will now have to be precisely formulated at an intergovernmental conference under Portuguese leadership. For this a timetable and a deadline has been set up. Those who want to block further progress on European integration can no longer do so by invoking the unsolved question of the reform treaty. The path to a new "Europe of results" (Barroso) is open. We have achieved an important psychological turnaround.

In the area of environmental protection, we made clear progress: The European Environmental Council agreed to reduce the amount of harmful emissions by 20 % by 2020. The results of the spring summit have set decisive benchmarks for all of the G8 countries and for further international decisions.

Our common foreign policy also addressed several issues during the German presidency. Europe's participation in the Middle East Quartet has been instrumental in bringing closer parties from the Arab League and Israel. Together with the United States, we held a summit on EU-US energy security and climate change and agreed on a new transatlantic economic body which will promote even further the economic interchange between Europe and the US.

Ladies and Gentlemen,

Peace and security demand that we understand each other and learn from one another. The European Union has been a success story for the last 50 years. Without firing a single bullet on a continent that historically has been the center of warfare in the world, Europe has managed to unite.

For Europe, cultural understanding and so-called soft diplomacy are also very important. The European Union runs a number of educational programs that foster cooperation and understanding of each others' cultural heritage and political and economic environments. The student exchange program, Erasmus, for example, has provided grants to more than 1.5 million European students to study in another member country. For Europe, these people represent the hope for the next 50 years of European peace and integration.

Europe matters! When we hear this, many may instantly think of trade negotiations and the economic power of a united Europe. And these are, without doubt, important issues. Yet at the core of the EU is the conviction that togetherness will bring us forward. After centuries of war and quarrel on our continent, the European Union now stands as a guarantor of peace and security in Europe.

Ladies and Gentlemen,

A well-known African proverb says: "If you want to go fast, go alone. If you want to go far, go together." The European Union wants to go far. Integration, peace and security demand that we go together and that the European symphony is one composed of all members. Only together can we advance this magnificent project. I am happy to say that the state of the Union is – ongoing problem-solving notwithstanding – better than it has been in a long time.

Thank you very much.