

# A Schuman Declaration for the 21<sup>st</sup> Century

*On 9 May 1950 French Foreign Minister Robert Schuman made a visionary proposal, which set Europe on the path to what has now become the European Union. The Schuman Declaration made it clear that Europe needed "the preservation of peace". Sixty years later the world has changed and the old continent is facing new challenges. The EPC offers these thoughts on what Schuman might say today.*

European integration has been a formidable success story: the European project has contributed enormously to peace, solidarity and prosperity. Today, the European Union is omnipresent: there is virtually no policy area which is not directly or indirectly affected by decisions taken collectively in Brussels. Joint institutions, shared sovereignty and an unprecedented level of economic, political and social interdependence have tied Europeans closer together than at any time in history.

But past achievements – such as the Single Market, the abolition of borders, the euro, or the ‘unification’ of the continent – are wearing off. Today the Union suffers from a lack of strategic orientation and risks losing attractiveness inside and outside Europe. After two decades of institutional reform and constant rounds of enlargement, the EU resembles a sedate tanker with a glorious history but without a command bridge steering towards its next destination. Many question the future added value of European integration: what is the Union’s new *raison d’être*? Among and within EU countries, antagonistic and sometimes irreconcilable views about Europe’s future oppose each other, fostering mutual distrust and national ring-fencing – a phenomenon exacerbated by the effects of the current financial and economic crisis.

## Europe’s challenges

In global terms, the EU and all its members are in relative decline – politically and economically. The world is becoming ever less euro-centric: global affairs are increasingly shaped in other parts of the world. Without change, the old continent is doomed to gradual marginalisation and irrelevance. Economically, the members of the EU have promoted and profited from market integration and globalisation. But Europe’s economic and social model is threatened. The effects of the global crisis, growing competition from developed and developing countries, resource scarcity, the increasing complexity of national and transnational security risks, demographic trends, public finance imbalances and climate change can only be effectively addressed at the EU level.

In the absence of a convincing European or national response, more and more citizens feel a sense of insecurity – *Zukunftsangst* is becoming a widespread phenomenon among Europeans. How can the EU regain the support of its citizens and defy the danger of marginalisation and stagnation? The Union needs policy responses, which are ambitious and realistic at the same time, and concrete enough to address Europe’s key challenges.

These responses must generate greater synergy between different policy areas as the world has become more complex and uncertain. To link the dots, the Union needs to hammer out shared visions and pool its capabilities to make progress on two limited but decisive points: the enhancement of Europe’s global role and the strengthening of European economic governance. The complexity of future problems and the linkage between external and internal challenges do not allow us to choose between these two objectives. Europe and its current leadership must respond with the courage, ambition and vision of Robert Schuman and the other founding fathers.

## Enhancing Europe’s global role

The EU needs to speak with one voice if Europeans want to see their common values, interests and historical experience reflected in a system of global governance. Today, Europeans are overrepresented but underperforming in most international bodies. Europe must streamline its presence in multilateral institutions: we need fewer Europeans and more EU.

Despite their rhetoric, which highlights the goal of “effective multilateralism”, the EU and its members have not been leading attempts to adapt the system of global governance to the new realities of international relations. Organisations that still reflect the realities of the 20<sup>th</sup> century are increasingly outdated. This insight is not new. But the global crisis has increased the pressure on us to match our words with an initiative that will allow the EU to shape a better system of international governance based on global multilateralism.

Europeans should jointly propose a blueprint on how to reform their representation in international political and financial organisations. The Union should be leading attempts to reform global institutions like the G-8, the G-20, the IMF, the United Nations, the World Bank or the WTO. The reform of the global financial architecture provides the first opportunity to deliver the benefits of this initiative. Similar opportunities are arising in dealing with conflict situations, especially those in Europe: they require a single EU representation in each of the international bodies designed for peace-making.

Europeans should be ready to surrender historic prerogatives before the balance has tipped even further to our disadvantage. If the EU and its members fail to come up with concrete proposals, we should not complain that international governance structures are becoming ineffective. If we are, however, able to present a common European position, then we can credibly ask others to join efforts to strengthen old and create new more balanced and inclusive structures of global multilateralism.

### **Strengthening European economic governance**

50 years of economic integration, crowned by the introduction of the euro, have made European economies highly interdependent and no European country can deal with today’s challenges on its own. In order to overcome economic fragmentation and to define and implement an ambitious economic strategy, the EU needs to establish a European Economic Government (EEG). For the EU as a whole, more effective coordination is required. Within the euro zone, we must go even further and establish the conditions for effective common action within a fully functioning Economic Union.

Economic Union is the necessary counterpart to the common monetary policy of the countries of the euro zone. Strategic decisions directly related to the euro zone must be taken by a ‘Euro Council’ including the heads of state and government of all countries who have introduced the common currency. The Eurogroup of finance ministers must have an enhanced role in implementing the European strategy and in dealing with fiscal policy and structural reform to complement the common monetary policy. In specific areas such as public finances there is a need for a clear set of rules, backed by sanctions and incentives to comply. Common action is necessary to underpin the Economic Union: collective decisions need to be taken in many new areas and current taboos on issues such as taxation or social protection need to be broken.

For all European countries, the European Council, chaired and convened by its elected President, should provide a coherent economic vision and strategy based on proposals made by the Commission covering all aspects of economic, social and environmental policy. European governments must make binding commitments to coordinate economic policy. National fiscal policies and structural reforms need to be integrated on the basis of clear mechanisms for implementation and delivery. The fulfilment of the commitments made by EU countries must be monitored publicly and objectively. The Commission will provide the data for the assessment of the economic performance of Member States, leaving concrete evaluation to be carried out by an independent group of ‘economic wise men and women’ able to provide objective and expert direction.

### **Our legacy for future generations**

In the longer term, a strengthened European Union, capable of dealing with Europe’s internal and external challenges, is the only instrument that can enhance the quality of life, provide personal and collective security against material and immaterial threats and also preserve communities and identities within the framework of the nation state. Without a strengthened EU, Europeans condemn themselves and future generations to economic stagnation and international marginalisation.

*This declaration has been drafted by Rosa Balfour, Janis A. Emmanouilidis, Hans Martens, John Wyles, and Fabian Zuleeg. It is intended to set the ball rolling to contribute to the process of improving the European Union in line with the EPC’s commitment to making European integration work.*