After Lisbon: What’s next for Europe?

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at the Institute of European Politics,
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Excellencies, Head of Delegation, Prof Jopp, Distinguished Guests, Ladies and Gentlemen, I am delighted to be here in Berlin this evening to share with you some thoughts on the future of the European Union after Lisbon.

Ireland’s EU Presidency in 1990

My visit, as it happens, coincides with the 20th anniversary of Ireland’s EU Presidency in 1990, during which German reunification was the overwhelming challenge for Europe and for our Presidency. We are proud of the role we played in helping to secure full European backing for German reunification.

I was first elected to parliament on the 15th of June 1989. While I remember being excited at the time by the fresh approach adopted by Mikhail Gorbachev, there was, of course, no inkling in the summer of 1989 of the dramatic changes that were about to unfold, especially here in Berlin.

I was born in the year before the Berlin Wall was erected. Growing up with an interest in politics and history, I had always been conscious of the Wall as a sad
symbol of Europe’s divisions, an ugly scar at the heart of our continent. Like millions of people the world over, I was thrilled by the events of November 1989. To jubilant cheers from the citizens of Berlin, the hated wall had fallen and the Iron Curtain was no more. A whole new era was born and a new set of challenges emerged.

As a newly-elected Member of Parliament, I can well recall our 1990 EU Presidency. We in Ireland were fully conscious that we were taking on the Presidency at a time when Europe was being re-shaped in front of our eyes.

The European Council had met in Strasbourg in December 1989 as communist regimes were crumbling. The leaders of Europe agreed in Strasbourg to convene the inter-governmental conferences which would lead, two years later, to the Maastricht Treaty. German reunification had become a key issue during the preceding months. Not everyone had been fully enthused by this prospect. Among other things, there were concerns about its implications for European integration.

Coming as we did from a politically-divided island, we in Ireland had, I believe, a special understanding of the desire for unity that was so palpable in Germany in the months after November 1989. Our instinct was to do everything possible to facilitate German reunification. The Irish Presidency worked closely with Chancellor Kohl and Foreign Minister Genscher and with the leaders of the ten other Member States in preparing the ground for an agreement to facilitate reunification within the European framework. That was the context in which, twenty years ago today, the Irish Presidency convened the European leaders for an extraordinary meeting of the European Council on the 28th of April 1990.
That Dublin European Council agreed that German reunification would take place within a European context and without revision of the Treaties. The leaders of Europe spoke with one voice on that day when they said in their Conclusions – and I quote – “We are pleased that German unification is taking place under a European roof. The Community will ensure that the integration of the territory of the German Democratic Republic into the Community is accomplished in a smooth and harmonious way.”

That meeting also gave a fresh impulse to the debate about political union which has shaped today’s European Union. In a recent book, a former German Permanent Representative to the European Union, Dietrich von Kyaw, recalls the change of attitude on the part of Germany’s EU partners that occurred in the first four months of 1990. Looking back at the Dublin meeting, he wrote of the joy he felt at that time and of how grateful he was to Ireland for the fact that his desire for German unity and his enthusiasm for Europe could now be fully reconciled.

**After Lisbon**

I turn now to the Europe of today: the European Union in the aftermath of the Lisbon Treaty.

The renowned Irish poet and Nobel Prize winner, W.B. Yeats, once wrote a poem called ‘What Then?’ in which he reviewed his life’s achievements. He observed that, even when he had written a perfect poem, the question kept being posed ‘What Then?’
The European Union often finds itself in a similar position. Our collective achievements are formidable and undeniable. Among other things, we have established a single market that serves the needs of 500 million consumers and created a single currency that has helped our countries to withstand the sternest economic test posed since the 1930s. We have built a Union of 27 Member States each of which has ratified a new Treaty embodying reforms aimed at making the Union more effective and more democratic, with a stable and lasting set of institutions. Yet we cannot afford to rest on our laurels. We seem destined always to have to ask and to answer the ‘What Then?’ question. As soon as we record an achievement, we inevitably have to move on and contemplate fresh challenges.

After the extended effort to agree and ratify the Lisbon Treaty, it would be nice if we could sit back and watch new European roses bloom. The world of politics as we know allows for no such luxuries. We need to continue working at our EU agenda lest our achievements gradually wither into irrelevance. We are constantly being confronted with new and often unexpected developments and we need to be active in search of new ways to tackle these problems. Who could have foreseen in 1990 that climate change would become the kind of preoccupation it is for us today? In 2007, when our economies were thriving, who would have imagined the kind of financial and economic turbulence we have encountered this past two years? A month ago, who would have thought that EU Transport Ministers would need to have an emergency discussion last week via teleconference as Europe airspace was closed by ash from an Icelandic volcano?
Unexpected events will undoubtedly continue to test the Union in the years ahead. The important thing is that, under the Lisbon Treaty, we now have the means with which to deal with such unanticipated developments. It is, and must always be, a core principle for the Union that we face these challenges together. For those who may have doubted this precept, the experience of the past 18 months must surely have demonstrated its renewed relevance.

I want to look at three aspects of Europe’s ‘What’s next?’ agenda. First, I want to deal with the implementation of the Lisbon Treaty. My second point concerns our handling of the global economic crisis. The third aspect concerns the Union’s handling of key issues on the global agenda. I consider that the Lisbon Treaty has measurably strengthened the Union and that, when it is fully implemented, it will make a positive difference to the manner in which we will work together in the coming years.

Ireland and the Lisbon Treaty:

In Ireland, we conducted an extended public debate about the Lisbon Treaty from which a number of lessons can be learned.

The European Union is highly popular in Ireland, with an approval rating of in excess of 70% for Ireland’s membership of the Union and in excess of 80% in terms of recognition that Ireland has benefited from membership. This, however, does not automatically translate into a blank cheque for the EU’s further development. People need to be better informed and more fully engaged with European issues if they are to
feel comfortable about proposed changes. If we allow European integration to be solely or largely an elite concern, then at some point the process will falter.

The research we commissioned after our first Lisbon Treaty referendum showed that, besides a general lack of understanding of the Treaty, there were also concerns about specific aspects of the text. We presented these concerns to our partners in Europe and we stressed that strong, legal guarantees were essential to meet these concerns. Europe responded positively and all twenty seven Heads of State and Government agreed to a legally-binding Decision which addressed the key concerns. This contributed to the substantial rise in public support for ratification which held firm throughout the referendum campaign.

The Irish people were willing to reassess the Treaty and did so by a two to one majority. This should be seen as a decisive reaffirmation on the part of the Irish people of their commitment to making common cause with our European neighbours in building a Union that will serve future generations of Europeans. The fact that peoples concerns were listened to and accommodated was an important factor behind last year’s referendum result.

A clear lesson from our experience is that public debate about the European Union should not only take place when there is a Treaty to be ratified. European issues need to be woven into the fabric of political life across Europe. We need to engage with our people and communicate with them on EU issues on an ongoing basis in clear, accessible terms. It is not good enough for Governments to claim that EU issues are
unavoidably complex. They are indeed complex, but we must find ways of making EU issues come alive for people across Europe.

Making the Lisbon Treaty work:
The Lisbon Treaty represents our best collective judgement as how our Union of 27 or more Member States needs to function so that it can be fully effective and responsive. We have spent long enough mulling over the Union’s structures. Now is the time for delivery.

A good start has been made. The new arrangements are working well. The Spanish Presidency is to be credited with managing this transition successfully. A new Commission has taken office. The European Council has already met on a number of occasions under the direction of President Van Rompuy. There have been concerns that a strengthening of the European Council would diminish the influence of smaller Member States. These issues were discussed at length during the Convention on the Future of Europe which laid the groundwork for the Lisbon Treaty. Ireland played a leading role during the Convention, particularly in defending the position of small Member States, and careful consideration was given to proposals to make the European Council an institution of the EU with its own President.

Our experience so far of the European Council under the Lisbon Treaty has been broadly positive. President Van Rompuy has made a positive impact with his thoughtful and incisive approach to his new role. He set out very cogently his vision of his new role and it was reassuring to hear his emphasis on the need for consensus at the European Council and his determination to take account of the views of all
Member States. The European Council now has the capacity to define, at the highest political level, the Union’s future political direction and priorities. The Union’s success is, as always, dependent on the political will of the Member States and the sense of solidarity between them. During the more than 50 years since the signing of the Treaty of Rome, those qualities have asserted themselves time and time again.

Important decisions have been taken since the start of the year on the Euro Zone and on the Europe 2020 programme. We have demonstrated once again our capacity to take difficult decisions that embody our shared interests.

A High Representative has been appointed. Catherine Ashton has the huge task of bringing together the various strands of the Union’s external relations activities. This role will, I believe, result in greatly increased coherence and visibility for the Union on the international stage.

Arrangements are now in train for the setting up of the European External Action Service, which will provide the Union with an important additional resource in pursuing its external goals. This could turn out to be one of the most significant innovations of the new Treaty. At the General Affairs Council on Monday, Member States reached a level of broad political agreement which shows their determination to ensure an effective External Action Service is ready to serve the High Representative and the Union without delay.

Co-decision has also been extended and we are seeing the European Parliament, and indeed national parliaments, play an increasing role in the Union’s deliberations.
There is tremendous potential for national parliaments under the Lisbon Treaty to strengthen the Union’s democratic underpinnings. I was very glad to have an opportunity this afternoon to visit the Bundestag for a discussion with its Vice-President, Wolfgang Thierse. I took the opportunity to explain that our national parliament, the Oireachtas, had played a vital role in the national debate on the Lisbon Treaty. I believe the experience of the Lisbon referendums has had a lasting impact on members of the Oireachtas, the overwhelming majority of whom supported the Treaty.

Engaging citizens directly with the EU is the aim of another important innovation under the Lisbon Treaty. Ireland strongly supports the concept of the citizens’ initiative. There is an exciting opportunity here for democratic engagement by citizens in setting the EU agenda but we must have credible and robust systems if the citizens’ initiative if to realise its true potential. The orientation debate at the General Affairs Council on Monday showed that Member States are ready to tackle these issues constructively together.

These are important adjustments to the functioning of the Union which, I expect, will pay real dividends in terms greater parliamentary and public engagement with the EU decision making process in the years ahead.

Greater use of majority voting under the Lisbon Treaty means that the building of alliances has become even more important, especially for smaller countries like Ireland. We have also seen a radical transformation of the rotating presidency system.
Over the years, the Presidency has been particularly important to Member States like Ireland, as it offers an opportunity, for example in our case during 1990, to provide vital leadership to the Union.

As we move forward with the new arrangements, it will be essential for the Union to preserve the inclusive political culture which has been so crucial to our success. Every Member State needs to see in EU decisions a reflection of its own interests. The rotating presidency will continue to operate in most Council formations and this will be important in giving individual Member States an opportunity, from time to time, to exert a special influence on the direction of EU policies. The EU’s diversity, which could potentially be a weakness, has always been one of our key strengths. We must strive to keep it that way.

**Economic Challenges:**

For all of us, by far the most pressing issue at present is how to cope with an unprecedented economic crisis. This is where people are looking to their Governments and to the Union for action. On the whole, the Union has coped well with what has been an unprecedented crisis. There has been a co-ordinated response and this provides a welcome reminder of the strength which EU membership provides. No Member State could argue that it would have been better facing this crisis alone. The Union’s contribution to handling the economic crisis took the form of:

- the European Economic Recovery Plan;
- an active EU contribution at global level through the G20;
- the strengthening of banking supervision;
the availability of significant liquidity for Euro Zone members through the
European Central Bank; and

the support mechanism agreed at last month’s European Council.

The Europe 2020 strategy represents a definite improvement on its predecessor. It has identified a more manageable number of targets for Member States to pursue. Its focus is rightly on sustainable growth and the creation of jobs. It gives appropriate priority to research and development.

The approach adopted in Europe 2020 is very much in line with our own plans for Ireland’s economic recovery. Our efforts at national recovery will have much greater impact to the extent that they are consistent with a wider EU framework aimed at the enhancement of knowledge and innovation, a more sustainable economy, high employment and social inclusion.

In Ireland, we have experienced the sharp end of the economic downturn. This is partly because we have such an open economy. Trade is our lifeblood and exports alone are equivalent to 90% of Ireland’s GDP. As a consequence of the global downturn, and some additional domestic factors, we have experienced a severe reduction in tax revenue, increasing unemployment and difficulties in our banking sector.

We have been forced to take hard and painful decisions. Over the past 18 months, we have implemented extensive spending cuts and raised significant additional revenue. In all, these adjustments amounted to €12 billion, or approximately 7.5% of our Gross
Domestic Product. This involved broadening the tax base, cutting public sector salaries, reducing social security payments and curbing expenditure across all areas of Government.

As with all euro area countries, Ireland’s debt-to-GDP ratio has risen, but we were fortunate that, before the onset of the crises, we had succeeded in reducing our national debt to a modest level. This means that we are in a position to undertake the borrowing required to underpin our economy and to facilitate our recovery in the coming years.

A second strand of our recovery strategy has been to address the problems in our domestic banking system, through measures to guarantee banks’ liabilities, recapitalise the banks and create a State agency to take over property-related loans from Irish banks at a significant discount.

Ireland’s financial regulatory structures have been overhauled through the establishment of a new, fully-integrated regulatory institution, the Central Bank Commission. It has responsibility for both the supervision of individual firms and for the overall stability of our financial system.

We have also moved to quickly improve our competitiveness. In the past year, Irish labour costs improved significantly relative to the euro area. Energy costs and property prices have also fallen.
We remain an exporting nation and our exports have held up very well during this severe global downturn. The future of the Irish economy clearly depends on our ability to export. To remain at the forefront of exporting nations, we must be cost-competitive and provide goods and services higher up the value chain. These are likely to be in areas that are less cost-sensitive, but require ingenuity and creativity. Our policy is focused on building what we term a ‘Smart Economy’. Education and innovation have been shown to be key drivers of enterprise and job creation. The creation of employment through the commercialisation of research, development and innovation in a pro-business environment will central to our future prospects.

Ireland’s recovery strategy is, I believe, a microcosm of what needs to be achieved at EU level if Europe is to prosper against the backdrop of a changing global economy. This will not be easy and there can be no absolute guarantee of success. One very clear lesson from the recent crisis, however, is the profound inter-dependence of our European economies. This is why we must work at European level to remove the remaining obstacles to the realisation of the full potential of the Single European Market. This is why we must make a success of Europe 2020 and take the relevant steps to strengthen the stability of the Euro Zone.

**Addressing International issues:**

The desire to make the Union more effective internationally was one of the driving forces behind the Lisbon Treaty. I mentioned earlier progress on the creation of a European External Action Service (EAS), which will bring together officials from the Commission, the Council Secretariat and Member States to represent the interests of the European Union throughout the world. Together with the contributions of
President Van Rompuy and High Representative Ashton, the EAS will have a key role to play in securing a stronger EU impact in international affairs.

The European Union already has a proud track record in its external activities. We are the world’s biggest provider of support to developing countries. We have long prioritised human rights in our relations with third countries and other regions of the world. Through the enlargement process, we have been a force for the spread of freedom and democracy in other parts of Europe. The ending of the Cold War would, I think, have been a more turbulent process if the Union had not able to serve as an anchor of stability during the 1990s.

Over the years, we have carried out a series of EU missions in third countries. At present, there are twelve such missions in the field, four in Africa, three in the Western Balkans, three in the Middle East and one each in Georgia and Afghanistan. In recent years, Ireland played a leading role in the EU operation in Chad which provided protection to vulnerable people in refugee camps in that troubled part of Africa. Last year, this mission was successfully handed over to the United Nations.

The Lisbon Treaty will allow for the continued evolution of the Union’s international role. The Treaty makes it clear that the Union will be guided in its external actions by democracy, human rights, international law and the principles of the UN Charter. The Union is a new type of entity in international affairs. Ours is not a military alliance and we have no aspiration for Europe to become a great power in the traditional sense. It is a Union whose approach is attuned to the challenges of today’s world. The Lisbon Treaty provides for a common security and defence policy which can draw on
civilian and military assets for use in, among other things, peacekeeping, conflict prevention and the strengthening of international security. This represents an improved toolkit for dealing with issues of global and regional security. Europe is now better equipped than ever to respond effectively to political conflict and instability around the world. There are multiple challenges on the international agenda, including the war in Afghanistan, the threat a nuclear-armed Iran and the unresolved problems in the South Caucasus, to name but a few. There are also the wider global agendas of disarmament, non-proliferation and human rights.

Never has it been more important that Europe should speak with one voice in global affairs. We have the potential to make a distinctive contribution to the search for global peace and security. With our long tradition of involvement in peacekeeping, Ireland is determined to play its full part in ensuring that this potential is fully realized.

What, then, do we require from Europe? We require that the Union act as a strong and coherent, collective voice for the Member States on such issues as climate change and energy security. These are issues that cannot be dealt with by individual States acting in isolation. We need to pick up the threads following the Copenhagen Conference and work for an agreement that will fend off the disastrous effects of climate change. This is an area where the Union can be proud of having given a lead to the international community. I want to pay tribute to Chancellor Merkel for the positive role she has played within the Union in securing agreement on measures to
deal with climate change. We are now preparing for the meeting that will be hosted by Germany in Bonn at the end of May and the beginning of June.

We need the Union to be an effective advocate for a more equitable international order. This is the best means by which the roots of future conflict and upheaval can be addressed. On account of the sizeable resources we devote to development assistance, the Union can speak with authority in this area.

The Union’s voice also needs to be heard on issues of international economic governance, at the WTO and within the G20 for example. We need a Union that can deal on equal terms with other major economies. The day has long since passed when a single European country could exercise decisive international influence. The Lisbon Treaty affords opportunities for a more rounded EU approach to its relations with Russia, China, India and other emerging economies.

We need to be able to undertake missions in third countries when we all consider that these can serve to underpin international security. The plurality of the Union’s membership means that, when there is a consensus between us, this represents a powerful expression of agreed values.

There are, of course, international issues where individual Member States have very different national circumstances. An example would be disarmament, where Ireland was one of the initiators of the Treaty banning Cluster Munitions. Disarmament was one of the issues I discussed this morning with Foreign Minister Westerwelle. There have been positive developments of late in the area of nuclear arms control and we
need to capitalise on these. We share a profound commitment to the Nuclear Non-
Proliferation process and we look to the coming review Conference to reaffirm and
strengthen the non-proliferation regime.

Conclusion

Ladies and gentlemen, the European Union is as important to Europe today as it was
in 1957, when it offered a road map for a journey away from the nightmares of our
conflict-ridden history. It is as important today as it was on the 28th of April 1990
when Europe offered a wider framework within which German reunification could be
situated. It is as important today as it was in 2004 when, on a sunny May Day in
Dublin, ten European countries, most of which had been victims of the Cold War,
formally entered the Union.

The EU is important today for different reasons. It is because the current crisis has
taught us new lessons in the value of working together as Europeans. It is because we
know that the global economy is changing, and that Europe’s future prosperity and
wellbeing cannot be taken for granted. It must be worked for. The best available
place for that work to be carried out is within the European Union.

It is important because there are complex international issues which cannot be
handled by individual nations, however large and powerful they may be.

For Europe, the answer to today’s ‘What Then’ is that the Lisbon Treaty gives the
European Union an enhanced capacity to cope more effectively with the unfolding
complexities on the 21st century. We have a collective responsibility to employ these new tools with skill and determination. I am confident that we will do so.

Let me conclude by thanking Professor Jopp of the Institute for European Policy for co-organising this event with the Embassy and of course, let me thank the European Commission Delegation, our hosts this evening.

Thank you for your kind attention.