

RT HON ALAN JOHNSON MP

“The future for Europe”

Wednesday 28th March 2007

I'm delighted to give this speech on Europe under the auspices of the Foreign Policy Centre: and to be reunited with Stephen, who I worked with at the DFES, where he was a brilliant Schools Minister. We were part of the brilliant midfield line up of Twigg, Miliband, Clarke and Johnson. Given his spectacular election in '97, I also thought his Ministerial title should be “Minister without Portillo”.

Last Sunday marked the 50th anniversary of the Treaty of Rome: which established the European Economic Community.

Like the European Declaration on Human Rights, the concept of a European Community was driven by the horrors of the holocaust and the 60 million deaths from two world wars within 25 years that began on our continent.

The establishment of the EEC offered the prospect of a more peaceful, prosperous and democratic future for Europe and her citizens.

The first six signatories knew that by strengthening their ties they reduced the risk of war breaking out in Europe again.

Unfortunately, Britain was disengaged from this process.

Since 1945, we had been pre-occupied with the loss of Empire, and very few British politicians were prepared to argue that a new destiny for our country lay with Europe.

As the EEC rapidly proved its worth, Britain realised its error.

Harold Wilson spent much of the Sixties espousing Britain's European credentials but it was not until 1973 that Britain finally joined, by which time the institutions over which we had had no influence were firmly in place.

The 50th anniversary deserved to be celebrated.

As my colleague Denis MacShane has pointed out, there has never been a previous 50 year period in the written history of Europe when peace reigned, democracy advanced, people of all classes grew richer and the rest of the world was confronted with a Europe prepared to speak and act in a united fashion.

The fall of the Berlin Wall in 1989 marked the end of the Cold War and the beginning of a new renaissance: with the establishment of the European Union, the single currency and enlargement all following in quick succession.

These achievements must have surpassed the hopes and dreams of Monet, Schumann and those first signatories to the Treaty of Rome.

The former fascist countries of Southern Europe, once afflicted by internal strife, are now prosperous liberal democracies.

The old communist dictatorships of Central and Eastern Europe, once subjected to totalitarianism, are now free states.

In Britain, we are benefiting from the millions of jobs which are linked to trade with Europe. Our position within the EU acts as a magnet for investment from America and Japan.

An increasing number of British people shop, holiday and work in Europe - and do so with the benefit of additional consumer and employment protection: such as "best before" labels, packaging regulations, health and safety laws.

Britain has not always appreciated the benefits of European membership.

The mere concept of the European Union has generated emotional storms that have swept away political leaders and threatened to topple governments. One dimension to the debate has been about whether our future lies across the Channel or the Atlantic.

This is a false choice.

Our interests lie in having strong relationships with Europe and America. We must be comfortable with both. Anti Americanism is massively damaging to our economic and political interests. No-one would deny that the last few years have been testing times for the transatlantic relationship. But the United States is part of Europe's heritage and we share values of free speech, tolerance and democracy. Anti

Americanism is every bit as pernicious as anti Europeanism, and has no place in the mindset of a successful EU.

There will always be heated debates about Europe. But the irony is that it leaves most people cold.

It's not what Europe is, it's what Europe does. The British people are admirably immune from being hoodwinked by slick marketing or clever propaganda, not that there has been much of that so far as the EU is concerned.

They remain to be convinced that Europe tackles issues which matter to them. Now, more than ever, with domestic problems requiring international solutions, Europe is in a perfect position to demonstrate its worth.

People are not marching on the streets for more qualified majority voting or an expansion of co-decision making between the Parliament and the Commission: they are joining campaigns like Make Poverty History; or the "Do Your Bit" campaign to cut carbon emissions.

Global poverty and climate change are huge problems which individual action can help, but only multilateral initiatives can resolve.

These are the issues where Europe can find a fresh purpose for the next fifty years. Ensuring that we look outwards, rather than inwards. Raising our sights instead of lowering our gaze. Rather than hovering in the wings, Europe can take the spotlight on the global stage.

I'd like to set out three key areas.

First: in the quest to eradicate global poverty and disease.

More than a billion people, one in four of the world's population, live on less than a dollar a day. Malaria kills a million every year. Tuberculosis kills two million. AIDS kills three million.

In May 2005, Member States pledged to provide an extra \$40 billion in annual aid by 2010. This helped to secure the Gleneagles pledges from non EU G8 donors of \$10 billion additional aid per year by 2010.

If all Member States meet their promises, the European Union will account for 80% of new aid by 2010. Britain will meet the UN target of a 0.7% proportion of national income devoted to international development by 2013.

This investment makes a massive difference in some of the poorest countries in the world: lifting millions from abject poverty, paying for new schools and essential sanitation facilities.

As Hillary Benn points out, there is more still that we can do. In particular, we can co-ordinate aid better between member states to make sure our investment is targeted and focussed - and we are working closely with the German Presidency to see how this might be achieved.

In the longer term, there are two other vital opportunities for the developing world.

On 2 May, the European Commission and the World Bank will host an Education Donor Conference in Brussels. This event will help to ensure that long term funding is directed to support the plans of the education sectors in developing countries.

The other necessary long term solution is to ensure that trade rules are fair. The main reason why countries are locked into poverty is because these rules discriminate against them.

The Doha Round was designed to address these inequities, leading to an outcome which was pro poor and pro development. That's why it was called a Development Round. As Trade Secretary, I found it dispiriting to see how quickly talks which started in a spirit of altruism descended into the protection of self interest.

When entrenched positions forced the talks to be suspended last year all looked to be lost.

But negotiations have re-opened, there is a fresh chance for Europe to show leadership and press for an ambitious pro-development outcome. This is critical to Europe's wider interests – as well as to those of developing countries.

Agriculture remains the major sticking point: a sector which absorbs 40% of the EU's budget whilst employing only 1% of its population. Tackling this anomaly would not only lubricate the trade talks, it would support our own economy – by putting more investment into education, science and innovation.

Our approach to trade is interlinked with **the second major area: globalisation.**

Seven years ago, we embarked on "the Lisbon agenda". This aimed to increase employment across Europe by 10 million, whilst simultaneously

closing the productivity gap with the US, through a relentless focus on skills, innovation and social cohesion.

In recent years, Britain has successfully combined high employment with rising productivity. But, across Europe as a whole, the productivity gap with the US has actually widened. If the gap continues to increase at its current rate, US citizens will be three times richer than us by 2050.

If the pre-enlargement EU15 were US States only Arkansas, Montana, West Virginia and Mississippi would be poorer. None bar Luxembourg would be in the top half of distribution.

Economic reform is not a process we can undertake to our own timescale.

It is driven by external pressures - rapid growth in Asia, demographic change and technological advance – which will continue regardless of what we do.

So the danger is that, unless we get productivity back on track, Europe will become an ageing, underskilled, underemployed backwater of the world's economy.

The solution to the challenge of globalisation can not be found in the dark shadows of protectionism. Little Europeans presents as much of a threat as Little Englanders.

As Orwell might have observed, all European markets are open but some are more open than others. Witness our energy markets. We can't preach liberalisation abroad whilst practising protectionism at home.

Europe needs to work more closely on energy. Particularly as, by 2020, almost half of the world's oil will come from just three countries: Saudi Arabia, Iran and Iraq. By speaking with one European voice, we will be better able to negotiate with supplier countries.

Further measures along the Lisbon route include retaining a relentless focus on driving up competitiveness. We must ensure that the new Services Directive reaches its potential and we must also resist the lure of regulation.

Regulation was a powerful driver of European social progress in the early years. But, in the face of today's challenges, the solutions to Europe's unemployment and low productivity will not be found in further regulation.

Barroso and Ver Heugen have proved to be powerful allies in developing simplification plans. But we have to tackle the cultural perception that a political institution measures its virility by the number of laws it produces. Europe can make a far greater difference by sharing best practice and through open co-ordination. This is what is happening on skills: with millions being made available through the European lifelong learning project. And, schools are linking up through the "Learning Together" project. Whilst much more needs to be done in respect of education and skills in Europe, particularly in the HE sector – the light touch process is absolutely right.

The third and final major area is climate change.

Europe has already proved it has the capacity to tackle difficult environmental problems: such as cleaning up beaches and reducing air pollution.

We must direct this to resolving the greatest scientific and environmental challenge of our times.

The UK pushed for emissions trading, ensuring that carbon reduction is not just an environmental goal, but a business imperative as well. In Britain, we've gone further and made carbon reduction a legal requirement.

The Stern report has given us a fresh opportunity to build on these achievements and continue to lead the debate in Europe.

At the Spring Council, Europe's leaders agreed to seek a 20% reduction in greenhouse gas emissions by 2020. This tremendous advance was accompanied by proposals to develop carbon capture and storage technologies, putting Europe on track to be the first competitive, energy secure, low carbon economy in the world.

None of these challenges - tackling poverty, globalisation and climate change - are for the fainthearted. They require a confident Europe, performing at the peak of its powers. If we are to play this crucial role in championing the causes that the public does care about, we must tackle a few outstanding issues which, in general, they do not.

The great American democrat Mario Cuomo said that the trouble with political parties is that they campaign in poetry but govern in prose. The problem with Europe is that it campaigns in prose as well.

Although the constitution was ratified by most countries, it was rejected by two of the EEC's founding nations.

We must respect the verdict of those voters. To do anything else runs the risk of reinforcing the worst perceptions about unaccountability.

What we can not avoid are the fundamental, more prosaic questions about what an enlarged EU can and can't do; how we manage Presidencies with 27 members; whether we should extend qualified majority voting to ensure that decision making is easier.

All of these questions require answers, but they don't necessarily require a new "constitution": a more modest treaty reform would do well enough.

Lord Kerr, one of the greatest British diplomats of recent years, has produced some thought-provoking suggestions for how we might address these issues as part of the German Presidency.

We should also look at how we can make the EU more accountable and less bureaucratic.

For instance: should we cut the size of the Commission?

Should we subject all EU legislation to double edged scrutiny, by requiring approval by national ministers in council, as well as elected MEPs in the European Parliament?

Should we give more prominence to the article which obliges the union to respect the national identities of Member States?

Britain is in a strong position to contribute towards tackling these problems and well placed to exert its influence.

But these are not the "First Order" issues. They provide the necessary structural underpinning to tackle such issues but must not be elevated to replace them as the focus of the EU's work.

This Government's position is the correct one. Pro EU, pro an enlightened Europe; pro a Europe that wins the hearts and minds of its people, by meeting the demands of its people. Eradicating poverty. Tackling climate change. Engaging with the challenges of globalisation rather than retreating into protectionism. This is an agenda that can re-engage Europe with its citizens and provide the long term solutions to take us successfully through our second half century.