

LIFE INSIDE THE EUROPEAN UNION - A PERSONAL VIEW
SEPTEMBER THE 2ND, 2002
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Director General, Your Excellency, I think it would be fair to say that I have quite a modest ambition, which is simply to tell you a little bit about what the Community feels like from the inside and I stress that this is very much a personal view. I guess that one can give one's only personal reaction. It is based on really being an observer at a very large number of European meetings both within the Council and also within the European Commission while I worked for four years. I have set in on meetings at every level: meetings of Commissioners, meetings of Ministers, meetings of counterparts in working groups and, as I will explain later on, I've also seen a number of dossiers and subjects move through the system and evolve. I'd like to share with you some of that experience.

I also have a slightly more ambitious target this afternoon, which is to try to draw out some general principles and general thoughts from my experiences and to suggest some ways in which you might wish to consider action, activity and information in Romania to prepare for membership.

I enjoy history, I'm sure many others enjoy history, so, just for a moment, I'd like to step back 27 years. In 1975, two leaflets came through the letter-box of my parents house. I still have them and I will hold one of them up. It is called: Why you should vote 'Yes' to continue the membership of the European Community? Can anyone predict what the other leaflet was called? Why you should vote 'No'? So, we have these two leaflets and my parents were of an age that they can vote, I was not, so I will not be embarrassed by having to reveal which way I voted. Five years after that, I was in a much stronger position to take a view, as I was working for the government on European Policy. So, let me tell you a little bit about the reality rather than the leaflets. The UK voted 'Yes', of course, by a 2/3 majority, but that's the historical background.

I thought it would be worth beginning with what is the European Union. This may sound like a very obvious question, but I don't think it is, if you think it through. It's a treaty, it's binding legal text, with subsidiary legislation, which runs to 80 thousands pages. I can assure you I've not read them, I don't anyone has. That is the so-called acquis. It's all binding, but it's not a living document without people, and one of the things I always say is that people matter. The texts matter. You can't say that people and texts are a hierarchy. You need both to make a Community. A part of life inside the European Community is knowing the rules, the main articles of the Treaty that apply, their importance and how they can help you. The European Union is an institutional structure involving a number of different bodies. As I am explaining in the moment, there's no one institution that is better than all the others, more powerful than the others. It is a balance of power. If you look at the US constitution, you might say that the president has all the power. This is not true. 2/3 majority of the Congress can overrule the American president. So, it shouldn't be taken as automatic that you have supreme power in any system. You certainly don't have it in the European Community. But the institutional structure with this way of doing things is a very important one and an important feature of the way the European Community actually

works. Broadly speaking, subjects move from working level up to ministerial level and that again. That is the working rhythm of the Community.

The European Union is not a diplomatic conference, where experts, diplomats arrive, negotiate and depart; it's not like that at all. You may feel like that while you are negotiating on enlargement, but it's not like that inside. It is radically different. It is a meeting place for decision makers from national governments, in all ministries, at all levels. One of the most striking things about the European Union is the way in which experts get to know each others' counterparts as friends; they meet weekly, they discuss a whole range of subjects, but they're not negotiating in a professional stand office way.

I had this experience over four years in Brussels when I was a member of the so called Article 133 Committee, where, one week you would be arguing very fiercely with your counterparts about something you disagree with. The next week you would be their allies and so you couldn't personalize it and be genuinely angry about hormones and bananas or whatever you were really discussing common problems as friends. And that radically changes things. It also means that every bit of every government has links with every other government at the level of e-mails and phone calls and so, the formality, the formal relations just disappears. I think that's a very important feature and a deliberate feature of the way the Community operates. In every area, there are experts committed, discussing subjects with incredibly detailed substance which you simply get used to attending and get used to interrupting. Obviously the most important diplomatic and political issues rise to the top of the agenda of the Foreign Affairs Council or the intergovernmental meetings. But that is a tiny minority of the total amount of business to be transacted.

The European Union is an economic philosophy. Speculations can be made on the nature of that philosophy. Some people say that it's free market, but if you read the social chapters, the environmental chapters, the education chapters, the justice chapters, it doesn't read to me like pure liberalism with no social contact, it reads to me like a very balanced perspectives for a Community which really wants to open up markets, but also wants to give all the different vectors in the economy, their rate and their protection. It also involves issues that are not economic at all: Justice and Home Affairs, Common and Foreign Policy, environmental protection, education etc. These are not primarily economic issues and yet they all have a place in the Treaty of Rome. The Community peoples are very important as well. Europe was not a geographical space, it is a cultural space. But, it is clearly part of the Treaty of Rome and the way in which the Treaty is developed to build a Community of peoples, not simply a meeting place for governments. If you look at the Treaty of Rome, it is radically different from a certain agreement on trade. Because, the general agreements on tax and trade only bind governments. It's an international treaty that only binds the governments that sign up to it. The Treaty of Rome has effect between private commercial parties, individuals and governments. So it cuts right through society, it doesn't just bind at the top.

You may begin to wonder how all this works. On the whole, there are five categories. There are policies and priorities; clearly the political landscape of Europe has an effect on its policies and priorities.

Broadly speaking, there's been a long period of liberal governments, which perhaps is now beginning to change towards a slightly more conservative general approach, but

new policies and priorities, to an extent, derive from the political complexion of Europe, from the nature of the European Commission, the individuals within the Commission. There is a kind of collective move forward which in one decade might produce the push for the Single Market, in another produces the push towards Single Currency, the social chapter. The priorities are increasingly articulated at the very top level; there's been a rise in recent years in the power of Heads of States, Heads of government to set the agenda. The Commission, perhaps, is doing less, the Member States, meeting together are doing more. As for officials at the working level, we read the conclusions and eventually, activity begins to come forward from ministerial level. Some of that turns into legislation. This is where the real difficulty sometimes begins. I have been involved in piloting texts through the whole European system. It is very long process, because you have to involve stakeholders, you have to involve other parts of the Commission. Then, you begin to talk to the Member States at working level, at Ambassador level, at political level. Finally you move towards end-gate, the vote, the qualified majority vote and you finally agree a piece of legislation, which is a long way from how it started. Very often you have texts which are contracts, essentially compromised texts, probably drafted in French or English, then translated into Danish. They are becoming quite hard to construe, but, nevertheless, that is the process of legislation. In many ways, legislation is less important than it was some years ago; it was vital to complete the Single Market. Now, legislation is becoming less of the primary means to advance European policy. Other action is increasingly popular, that is issues such as coordinated actions. This is where governments don't force each other to take actions and they compare notes, they compare policies, they explore how other people have succeeded in certain areas. This is typical in an area of policy such as small and medium size enterprises, where there's no monopoly of truth, but it is valuable to compare what different governments have done supporting small and medium size enterprises.

There's also finance. I was sitting in the negotiating group in Brussels some years ago, when one of our ministers was negotiating on the future perspective for the structural funds. I heard the Ambassador saying: 'Minister, you are about to agree what happens to 107 billion euros, this will be the largest amount of money you have ever handled as a politician and probably you will never handle this amount of money again'. And the argument was entirely about who was getting the money. That's the nature of these arguments. At the end of the argument, you always declare victory whatever has happened. So, this is what we want to do all along. But, finance is one of the most sensitive aspects of the European Community, especially when you are a net contributor like the UK. Implementation and maintenance is important; that is changing the legislation to reflect realities, market changes, ensuring.

That's an awful lot to do it. And who actually does it? There is no one answer to his. Clearly Member States can change the Treaty. The Commission cannot change the Treaty; only the Member States meeting together have the power to change the Treaty. The European Commission has been given special powers deliberately to control aid, major mergers, to propose within the Single Market another areas of Community competence. It has an exclusive right of proposing; that's a jargon for saying that Member States can't decide themselves that they would like issues to be changed.

You work best in the Community by saying we're not happy if you do it this way, but there is a better way of doing it. For example, if you are unhappy with the volume of

finance it's coming to a particular country, instead of saying: You're not giving us enough, it's much better to think of a project which will attract more finance.

Again, thinking European, if you go to Brussels and say that's not acceptable to do this at an European level, the Chair of the meeting might say: 'We are a Community - we're looking at an European level action'. In some cases it is really unwise to tackle everything at an European level. There are some issues when a national approach, because of different political, cultural, historical reasons, it is better. It is well-known the fact that in certain areas of policy, the UK and some other Member States did not think those should be automatically put into a kind European level system. May I remind that in other areas it is easier to deal with things at the European level, than to try to solve them nationally, if you look at issues such as public procurement, intellectual properties, standards etc.

These are really issues that are much better dealt with on a bigger scale.

I think my fifth successful strategy is really staying involved, because, in the nature of lobbying, especially on industrial issues, the classic approach is that people identify a problem. There's a new law on chemical system that will really cause problems for the chemical industry. People write to the members of the European Parliaments, rush up to Brussels, make a great fuss and, then, they forget about it in five years. Then another problem comes along. It would be much better if they actually maintained a steady dialogue with the chemical policymakers in Brussels, because there is this tendency to dramatize and to rush out, solve the problem and forget Europe for a few more years. Staying involved in a positive way, I think, is a lesson we have learnt over the years.

So, this really brings me to my summary.

Before the summary, I would briefly mention some case studies.

I remember a morning when we had a new Chair of a negotiating group I was involved in. He had been told that we were a difficult group. So he began by saying: 'Let's run through the directive quickly. Article one, the definition of a product'. Surely that's easy, surely we can agree on a product. After all, if you're dealing with a product liability, the fundamental question is: 'What is a product?' It took about two days to discuss article one, because people began to say: 'Is electricity a product? Is a river a product? A car is a product, but a hired car is a service'. So, what about a leased car for some weeks, is that a product? But if you buy the car, at the end of the leasing period, have you bought a car or have you bought a service? This went on for hours, days until agreement was reached.

The diplomats' directive was much easier, because we had qualified majority voting available. So, at anytime we could say: 'Let's take a vote!' That did force people into compromises, but I remember we had a battle between the attendance who said that the right way to check on diplomats was a test and another group of Member States who said: 'The right way to check on diplomat is not a test at all, but a period spent in the country of moving to in order to learn the nature of that profession.' These seemed to be incompatible positions. Neither side was going to give an inch. So, finally a compromise proposal was needed. They said 'Why don't you have booth available as

options with the choice being given to the person who was going to the country concerned?’

In other words, you can choose either a test, or a period of adaptation, so each country has both to offer on its menu. This went some way to solving the problem, but there is one profession who cannot accept it. We had another blockage: legal profession did not accept this. Finally, someone said: ‘Why don't we say that for the legal profession, the Member State chooses to impose the test or impose a period of adaptation, but for all other professions, the person making the choice of country chooses between the test and the period of adaptation?’ That was the answer. People said they agreed.

I'm really illustrating that when you have an apparent blockage, the nature of the negotiating process against the background of a sudden vote forces these compromises.

And about, trade defense instruments. This was an interesting example, in a way, a piece of symbolic legislation which was unlikely to be used very often, but which was necessary symbolically as a kind of insurance policy. One set of Member States said in a negotiating group: ‘This is not necessary. We do not need this legislation.’ Another said: ‘If we don't get this legislation we will not agree to trade liberalization.’ So, we had a kind of unpass between the two. In the end, we compromised again by agreeing the legislation, but with lots of references to the fact that it would hardly ever be used.

The magic was not in a ‘yes’ or ‘no’ but in the exact way you word it and in the ability of each side to declare victory.

Finally, some reflections for Romania.

What I've given you in rather a short period is some general reflections based on watching, listening and observing. It's not the only skill obviously. You need knowledge of the legal framework that is being used. Up until quite recently, UK law graduates did two weeks on Europe out of three years. It is clearly essential for law graduates to learn about Europe, wherever they are in Europe. And it is a specialized legal subject. You can't learn it simply from general Roman law; there is a whole series of special features, history cases. So, growing the skills is something that can begin in law school. It can, also, begin by actually going to Europe, doing stages in the European Commission, which is already possible for non-member States, proposing exchanges with Member States; the UK will be delighted to continue that tradition of mutual exchanges of information and of people, getting to know the subject in advance.

Growing people, we have a very long term bet in UK, a European framework, where we invite graduates to join the UK civil servants, we offer them a career in the UK civil service with the option of applying to join the European Commission, or another European institution with the name of growing a group of European literates, of European trained officials. This has worked pretty well so far. We joined the Community in 1973 and this system only came into force in 1989, because there is a clear need to build up a kind of European group of specialists. It's not too early to be thinking in terms of who your Directors General will be in 20 years time, but

graduates and the undergraduates now are the seedbed for that approach and growing people who have that European background is not a quick process.

Policy structure, one of the key things we have to deal with every month in the UK, is agreeing between the competing parts of the government machine and what we are going to do in Brussels. And for that we have an European Secretariat placed in the Cabinet Office, which reports to the Prime Minister. Every Member State has a similar coordinating machinery, but deciding on the nature of that machinery in advance of the membership is extremely important. I think we made a good choice, frankly speaking, but you will find other Member States who regret the way their ministries interact on European issues and wish they had introduced a different system.

Finally, the parliamentary scrutiny, a dilemma that every accession state faces. What do their national parliaments do? How do their national parliaments follow European policy, how can they intervene, how can they comment? Denmark solved this by requiring each minister who goes to European Council to appear in Danish parliament, the Friday before the Council and explain what position they were planning to take and then come back a week later and explain what position they had taken and how it worked out. That is the most rigid of the systems. The UK has a lighter system where the scrutiny committee is looking into the document and interrogate ministers systematically. Defense system is extremely light. They just have a general debate every now and then. So we have a choice, we have a series of menus, but whatever choice you make it will last a very long time. We are still working with the 1973 system in the UK that we created; so it is a major choice to be made once on the structure, at a time when the Convention on the Future of Europe is changing, the nature of national parliamentary involvement as well.

None of those are prescription for Romania, there are simply reflections in many cases based on what the UK perhaps should have thought more about in the early '70s, when these leaflets were being issued.