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Speech by President Barroso at Princeton University: "European Union: An indispensable partner"

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Ladies and Gentlemen,

First let me thank Dean Cecilia Rouse and Professor Wolfgang Danspeckgruber for their warm welcome.

I am really delighted to be at Princeton in such an extraordinary university and in a country where the ties of kinship with Europe are as old as they are strong.

Being here brings back memories of my academic years in the United States, and also my student days in Geneva where I first met Wolfgang and where I became fascinated by European politics.

Having lived under a dictatorship in my native Portugal, I experienced the hope the European aspiration offered my country and how it helped to anchor democracy.

In those days, bookshelves of European – and American - bookstores used to be filled with volumes dedicated to the merits of European integration.

They have started now to be filled with volumes arguing that Europe is in decline, eclipsed by the emerging economies to whom – it is argued – belongs the future.

The reality is, to paraphrase Mark Twain, that the reports on a so-called European marginalisation or even disintegration are greatly exaggerated.

I recognize that for our friends abroad it may not be always easy to understand Europe, its decision-making process, and to anticipate the capacity of Europeans to take very important decisions.

But the good news is that, in the midst of the deepest crisis in its short history, the European Union is still alive and better than many seem to think.

European leaders, with the support of European citizens, keep on taking important decisions proving wrong the doom mongers.

And contrary to what some people try to suggest it is not an assumption based on a TINA argument.

It is simply not true to say that there is no alternative. Of course there are alternatives.

The Dutch voters which were recently to the polls were offered other alternatives. But they have not been convinced by them. Their answer was that a political experiment involving extreme parties could not help the country get out of the current crisis.

Indeed, the reality is that European integration remains the best alternative. It is not the only alternative. It is, I repeat, the best alternative. We need more Europe.

First, no one, in Europe and beyond, would like to see a revival of Europe’s old divisions. Your country has paid a big price in helping Europe to overcome such divisions.

And who could seriously think that in a world of continental-sized players, any European country will be able on its own to steer the course of events and be able to preserve its lifestyle?

The European Union emerged in a continent physically and morally devastated by two World Wars and the barbarity of the concentration camps.

In reaction to these traumatic events, peace and promotion of democracy, human dignity and shared prosperity, tolerance and justice lie at the heart of European integration.
These values are enshrined in the Lisbon treaty as they are enshrined in the Bill of Rights.

And it is thanks to the European integration, an unprecedented transformation project, that Europeans have been able to consolidate them over the last sixty years.

Why? The answer is: consent and rule of law.

The Member States have freely agreed to share a community based on law. No country has been forced to join or stay against the collective will of its citizens.

And the very notion of European integration rests on the concept of the subordination of power to the law. Power must be organised in such a way that it can safeguard law.

It is a Union built on the principles of equality between Member States, the rule of law, solidarity, cohesion and cooperation. A Union underpinned by a culture of compromise.

It attests to the quest for a cosmopolitan law, in which compliance with the norms serves what can be considered universal values.

And it is in many ways a laboratory for globalisation, both in the sense of subordinating power politics to the rule of law as well as by being a testing ground for successful cross-border supranational cooperation.

It is a unique political process combining economic integration with supranational institutions.

And the success of this process is to be measured in terms of peace, stability and prosperity.

Ladies and Gentlemen,

The reality is that we have enjoyed peace and stability for over 60 years and we are not only one of the most prosperous regions in the world, but with some of the highest levels of social justice.

Even in these difficult times, the European Union remains the world’s largest single market by value, with over half a billion people and 23 million Small and Medium Sized Enterprises. And we are fully committed to releasing its full potential to deliver growth and jobs.

The European societies remain among the most decent societies in human history with high levels of social cohesion.

And we are fully committed to preserve our European social model and to ensure fairness and equity as we are implementing long overdue structural reforms, which require a major adjustment effort.

In fact, it is precisely those European countries with the most effective social protection systems and with the most developed social partnerships, that are among the most successful and competitive economies in the world.

The European institutions remain the best guarantors that the principles and rules agreed by all in a Union of sovereign states will be upheld.

And the Commission, independent of any political party or national interest, is fully committed to exercise it obligations as guardian of the treaties.

That said European integration is a dynamic process. It has always made progress step-by-step, but the size of the steps has always been different.
The Rome Treaty was a huge step. The Maastricht Treaty was another one. In the meantime, there were other smaller steps.

Now we are again in one of those moments when we need a big leap forward.

The crisis has pushed the European Union to move forward more quickly with reforms that are anyway inevitable because we will not have sustainable growth as long as we have unsustainable debt.

But the economic measures we are implementing as a matter of urgency - combining fiscal consolidation with growth boosting measures, structural reforms and targeted investment notably on education, research and innovation - are not sufficient.

We need to correct the flaws in the Euro architecture and move towards a genuine economic and monetary union composed of a banking, fiscal and political union.

We need an ambitious vision and an intelligent sequencing and timing to turn it into a reality.

The Commission has already made a crucial first step towards a banking union with its legislative proposals for a single European supervisory mechanism.

As for the political horizon, I have recently called in my "State of the Union" speech in the European Parliament for a democratic federation of nation states as the best way to reconcile our Member States' national autonomy and identities with an effective capacity to act and shape the course of events.

Obviously, the support of the European citizens is key. We need to have a serious, open debate among the citizens of Europe on the way forward. As Abraham Lincoln said "with public sentiment nothing can fail, without it nothing can succeed."

But you can be sure that there is a now a strong political will in Europe to do whatever it takes to exit this crisis stronger and more united than ever before.

All this means that, beyond what I sometimes call an intellectual glamour of pessimism, related to discourse on the marginalisation and even the decline of Europe, such concrete facts clearly show that the European Union is far from being marginalised.

It is still very much in demand by its own citizens and by the rest of the world.

And it is important not just for us but also for the rest of the world that we succeed.

The European Union remains more than ever an indispensable partner for the world economy, its stability and prosperity.

The world needs a Europe who stands by open economies and fights protectionism.

Just look at our two economies. The European Union and the United States are still the most integrated economies in the world and we remain at the heart of the world economy.

The transatlantic relationship accounts for half of global economic output and nearly one trillion dollars in goods and services trade; and supports millions of jobs on both sides of the Atlantic.

Total US investments in the European Union is three times higher than in all of Asia while European investment in the United States is eight times higher than our investment in India and China together.
Did you know that US firms are investing more in Belgium than in China or India? That US investments into Brazil, China and India taken together are less than half of US flows to the Netherlands alone?

Still, there is more to be done to deepen and broaden our ties.

The United States and Europe are now working on a bold initiative to expand trade and investment that could make a significant contribution to our strategy to strengthen growth and create jobs.

This means that global interdependence is a reality, which cannot be disputed. We need to work collectively to address the deep-seated imbalances that have been building on the global stage for the last decade and which have also largely contributed to the current crisis.

The world economy cannot continue like in the previous years with some countries amassing huge quantities of foreign reserves based on trade surplus while others keep fuelling over-consumption and piling up private and public debt.

Restoring growth in Europe is as important for the world as the US actions to prevent a fiscal cliff or the rebalancing of the growth model of some emerging economies.

We are all in this together and only together we will be able to overcome this crisis, which is a global one.

Ladies and Gentlemen,

In this fast-changing and highly unpredictable global environment, the European Union is also an indispensable partner to shape this world into a fairer, safer, rule-based and human rights' abiding place.

Let's be clear: Americans are not from Mars and we, Europeans, are not from Venus. We are all from the same planet.

Yes, the reality is that we share the same planet and a common responsibility to address together challenges that are global by nature from the fight against climate change and our work for energy security to the fight against poverty and hunger, from Africa and Afghanistan to the Middle East and South America.

The European Union is very much involved on all these fronts.

The world needs a European Union that seeks cooperative solutions for the problems facing the global commons, as we are doing with climate change.

The world needs a European Union, which, despite the economic downturn, remains the biggest aid provider with 54% of the world's Official Development Aid (ODA).

The world needs a European Union that places the achievement of the Millennium Development Goals (MDG) to reduce poverty by 2015 at its top and over-riding priority.

The world needs a European Union that, in a relatively short period of time, has demonstrated its capacity to promote stability and security on three continents – Europe, Africa and Asia - building on a wide range of crisis management instruments from military assets, police and diplomacy to aid and trade.

The world needs a European Union that is ready to complement the effectiveness of its foreign policy with a credible defence capability because there is no normative power without both soft and hard power.
And among the European Union's partners, the United States has obviously a place of choice. And I believe that Americans also see the European Union as an indispensable partner.

In fact when I looked last week at the freshly released German Marshal Fund Transatlantic trends survey, I noted an American's renewed focus on Europe.

In particular I noticed that two-in-three Americans (63%) consider that it is desirable for the EU to exercise a strong leadership in world politics. And I also noticed that more than half of the Americans (55%) believe that for their country Europe is more important than Asia. Still, according to these findings, two-thirds of Americans say that the United States and the European Union share enough values and have enough common interests to enable a strong bilateral cooperation.

Indeed, the United States, a united Europe, is really an indispensable partnership.

Because the hard reality is that even if the challenges are common, not all countries make the same analysis or react in the same way.

The appalling situation in Syria is there to remind us all of the harsh consequences of disagreement amongst the members of the UN Security Council. The situation in the country is intolerable. A new and democratic Syria, which truly represents all the country's communities, must emerge. We have a joint responsibility to make this happen and to press those whose cooperation is essential to achieve to this goal.

Iran's nuclear ambitions and the tense situation in the wider Middle East remind us also that peace is not a foregone conclusion.

Autocratic regimes on our Europe's very doorsteps [Belarus being a case in point] confirm that History does not work in a linear fashion towards democracy for all.

We have to support those who are fighting for democracy and human dignity and remain vigilant that fragile transitions do not end up being hijacked by non-democratic forces.

Indeed, Ladies and Gentlemen, more than ever European citizens need an active and influential Europe in the world. And an active and influential Europe is needed by the rest of the world.

This is a message I have been hearing from all our strategic partners from the United States to China, from India to Brazil.

This is a message I am particularly pleased to echo here, being the host of a school named after a man, Woodrow Wilson, whose vision for world peace and commitment to progress remain a source of inspiration for all of us.

A man who once said: "Tell me what is right and I will fight for it."

A European Union that stands by its founding values and that embodies open regionalism, open democracies and open societies, remains indeed more than ever an indispensable partner to fight together for our ideas, for what we believe is right.

Thank you