

**Transcript of the speech given by Klaus Welle,**  
**Secretary General of the European Parliament,**  
**at the CEPS<sup>1</sup> on 'The future of the European Parliament'**

*Bruxelles, 29 March 2012*

**Staffan Jarneck<sup>2</sup>:** Everyone is getting more and more interested in the European Parliament, in the increased power of the European Parliament. You, Klaus Welle, are the Secretary General of the European Parliament. You are an economist. You have worked in a Landesbank. You did your military service in the Luftwaffe. You have been involved



At the invitation of Staffan Jarneck, CEPS Director General (right), Klaus Welle, Secretary General of European Parliament (left) addresses European Affairs scholars and experts on the future of the European Parliament - Brussels, 29 March 2012

in European Affairs in the CDU, the EPP, the EPP Group and in the administration of the Parliament. You have held your present position for just over 3 years. The question is now: what is happening?

**Klaus Welle:** Thank you very much. I am very grateful you did not put a question mark behind the title of my talk today (*The future of the European Parliament*). So I take it as a basic assumption that the people here believe that there is indeed a future for

the European Parliament. When we try to approach this issue seriously, I think that it is interesting to address four questions as a precondition:

- 1) The first question is: what kind of world are we expecting? How are environmental conditions going to change? In order to address this, we have been doing some serious work which is set out in the paper called [The European Parliament 2025](#) – where we have made basic assumptions about how the world is going to change and have formulated questions regarding our own organisation. This document has been prepared within my own office and subsequently put for discussion amongst Directors-General, Directors and also the Bureau of Parliament.
- 2) Secondly, we need to answer the question: what is the role of the European Parliament in the institutional system?
- 3) Thirdly, we need to establish basic assumptions about how European system is going to develop: what kinds of trends are visible from here?

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- 4) And the fourth question for me is an issue of daily importance, as a manager. As Secretary General of the European Parliament, I have managerial responsibility. This question is: if all these answers are correct, what will be the consequences for the organisation?

If I should go through these four issues, the first interesting thing is that we are engaging in such an operation at all. Yes, we are interested in how things are changing over the next 15 years. We do not want to manage just on a daily basis.

**Firstly:** We have identified four major trends which are important for our own organisation:

1. The first one is pretty banal. We are assuming that we will be living in a multi-polar world. In itself, this is banal. It is already a multi-polar world. The question is: what organisation do we need and what will be the consequences if we are living in a multi-polar world? The most important question from that assumption should be: do we wish, as "Europe", to be one of these poles, or will we just accept having United States, India, China...?

So for political organisation, I think, the first question is: will we be one of these poles and what do we need to do in order to become one of these poles? Because one thing that we know for sure is that every single nation state in the European Union, large or small, is still too small to be a pole in that multi-polar world. So the basic question is: if the Europe wants to be a player in 2025, alongside the US, China, India, Indonesia, Brazil, we need to become a pole. And we must achieve this with a national system. So, the question is: how does our institutional system need to develop to be a player, you could say, to be an equal player with the others?

This issue has practical consequences for management. Two years ago, we decided to establish an office of the European Parliament in Washington. So, we now have our own office in Washington D.C. Ten European Parliament staffers work on a permanent basis in Washington, in fact located in the same building as the European Commission. The European Commission is from the eighth to the eleventh floor. We are on the sixth floor. The seventh floor remains as a buffer zone, which fortunately we do not need regularly because we have found out that we can work complementarily. The Americans are very good at saying: we would really like to do this or that, but then, unfortunately, the Congress does not allow. The Commission could learn from this situation and, when in negotiations, say: we would really like to do this but, unfortunately, the Parliament would not approve. So, we are complementary. So, we have set up ourselves there. Why?



Report of the European Parliament aiming at the long term vision of the institution

– Because we believe that our links with the US no longer constitute merely a foreign policy relationship. This, of course, was indeed the case during the Cold War when it was a basic foreign policy relationship, dominated by issues of security and defence. And, a foreign policy relationship means that it is dominated by the Executive, because these issues are of course dealt by the Executive. In the last twenty years, however, we have clearly moved on. The issues that are now on the table include issues of legislation and regulation: financial services, fighting terrorism, questions of transport and terrorism, even agricultural reform. And these legislative agendas, which are pursued in the European Union and are also pursued in the United States are very closely linked. They are, by the way, not always being dealt with by Parliament. We have found out that for many issues on which the European Parliament takes decisions, in the United States these decisions are made by regulatory agencies. So Congress is rather working on the frame. Just to name a few issues: passenger name record, SWIFT, ACTA. All these matters fall within the responsibilities of the regulating agencies following delegation to them by the US Congress. So, we are learning about the American system and with whom to interact. We have very detailed information about all the major legislation going out there which is colour-coded. It means that if it is green we are going in the same direction; if it is yellow it means: pay attention; if it is red it means we are on collision course. We may be happy to be on collision course. But it should be a political decision. It should not happen by accident. We should be aware of these situations and, normally, we should give the benefit of the doubt to each other. In that multi-polar world, it is not only decisive what is happening in the United States. We have Russia. We have China. We have India. We have Indonesia. We have many other actors. So, the question is: how do we link into these systems? This is a question that we are currently considering. There are going to be delegations from European Parliament administration visiting Brazil and India in the next two months to explore how we can establish closer cooperation between our parliamentary institutions on both sides. While we will not set up new offices, we do need closer cooperation.

- II. The second important trend is multi-level governance. Multi-level governance means that we are not only having integration from the national systems, the nations states, into a European system, that we are not only having redistribution of competences to the European level, which of course we have had to a tremendous extent, but we can also see that, in many European countries, competences have been distributed downwards to the regional level. I can make reference to Belgium. I can make reference to France. I can make reference to Great Britain. I can make reference to Italy. I can make reference to Spain. And we are surely not stopping there. At the same time, we are seeing, by moving competences to the European level, that, sometimes, even we, at European level, no longer have the critical mass anymore and that we need to go to G8, G20, global coordination, or at least, global definition of goals. Also, this has important consequences for us. On the global level, if the agenda is being set on G8 or G20 level, what does it mean for democratic control and democratic scrutiny? How are these policies of Executives accompanied on the level of parliamentarians? How do we link ourselves into such a process? At the same time, if competences are being delegated downwards by the nation state to regional level, how do we link to nation states, how do we link to national parliaments, how do we link to regional parliaments? These are organisational questions coming out of this situation.

- III. The third element that is emerging (*EP 2025 Report*) is that the actor model is being changed. We can surely no longer assume that we can just base our model on state actors. There are not only state actors. We have already been aware of this for a long time. We have NGOs, we have other people. We have seen that in Egypt a marketing expert from Google who decided to change the course of events by developing a marketing campaign for the Egyptian revolution can change things. So, we have to adapt our actors model. The Internet for the Parliament has brought fundamental change. What does the Internet basically do? The Internet, in many areas, cuts out the middle-man. So, you want to buy a book, you no longer go to your bookshop, you simply order it online with Amazon. You want to buy some clothes, you no longer physically go to the shop, you buy directly on the Internet, with some basic trust your purchase will fit. Why does this pose a challenge for the Parliament?
- This is challenging because parliamentarians are traditional middle-men. They have contact with citizens. They are the middle-men, they report back to the Executive. So, if the actors model is fundamentally changed, we have to ask ourselves how can we equip Members of Parliament to still be, under completely different competitive conditions, credible middle-men towards the citizens and not cut-off of the system?
- IV. The last thing remaining is multi-tech. As you know, technology is the big accelerator. So multi-polar, multilevel, multi-actor, but not happening smoothly over say, decades, but accelerated by technologies. So, the timespan in which change is happening is very much condensed.

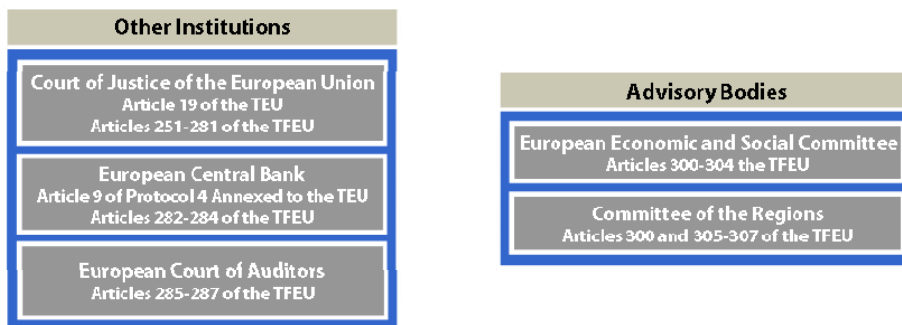
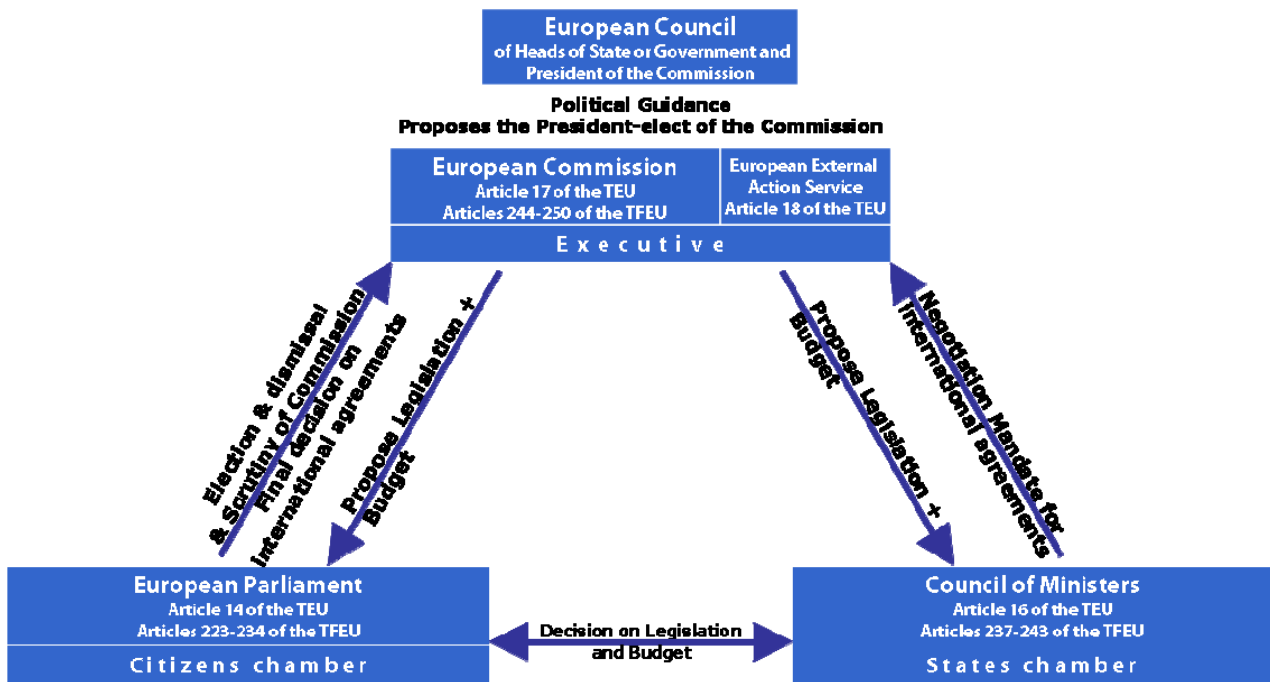
This paper [[The European Parliament 2025](#)] does not merely constitute a description of trends. The interesting thing about this is, of course, these four major trends. Together with our Directors-General and directors, we have formulated a list of questions to be addressed by our organisation, attached in the annex.

I have said that I do not want any answers, because we already have too many answers, but I am very interested in questions. Questions allow you to open up a situation and go beyond the assurances that we normally have and to confront new situations. So, we are allowing these questions to just be in the room for about one year. We have about 200 questions formulated which are all about the organisational consequences of these matters. Just to give you an example: i-phone and dictation programs. What does this mean for relations between our assistants and administrators? What does the fact that we have more and more functioning translation machines actually mean? What does the fact that we have already more and more functioning databases putting together existing translations mean? This is a very relevant question - I can tell you - for an organisation employing 1300 staff in translation. And should we continue to recruit translators with the expectation that they will be doing the same job for the next 30 years? This is just one question among the two hundred that we are addressing.

**Second:** The second question we need to ask when talking about the future is where is our role in the institutional system? We have found a very comfortable answer for the European institutions which, from my point of view, is too comfortable: everything in Europe is *sui generis*. If everything in the European Union is *sui generis* this means that you know nothing. We do not know what we are. I think that we can know what we are. With the Lisbon Treaty, parliamentary competences have been increased; the ordinary legislative procedure is now the standard, with a few exceptions. We have the last word on international trade, in voting the new Commission into office and, even, out of office; we have competences over the whole budget, the delegated acts. I could continue, but that is not the purpose of my speech today. At the same time, in the Council, we have a clarification of functions with security and defence having gone to the European External Action Service. And the Council non-legislative functions have been separated out into several institutions. So, what is left in the Council of ministers is basically legislation. So, we start to look like - when we think about our competences - like mirror images. And when that vision was not acceptable two years ago, I have the impression that it has become a possible basis for debate. Even if we do not like to say this, we *de facto* have a two Chamber system in the European Union, with the European Parliament representing citizens and the Council of ministers representing Member States.

We then have the European Commission which always needs some convincing to accept that it is the European Executive. I try to encourage them and I can tell you: it is not easy. Of course, it means that the Commission also has to accept that Commissioners are not just independent "technocrats" - which is anyhow difficult to explain because when you look at their CVs - they have for 30 years been engaged politicians - and the moment they take on the function as Commissioners they become technocrats? Clearly, they are not. They remain politicians. We have the Commission. And we have the Commission as the European Executive which is coming into office through Parliament and, potentially, coming out of office through Parliament and is answerable to Parliament. The Commission needs to accept this.

The real question is therefore: if this is the case, what then is the function of the European Council? The European Council is placed in the institutional system where, in a national system, you would have the Presidency. But we have very different presidencies in the European Union. To caricature, we have, on the one hand, Mr Gauck in Germany who influences mainly through speeches and then we have President Sarkozy who wants to determinate the details of government policies. So what kind of Presidency could the European Council hold? Of course, spontaneously, they have all immediately agreed that they are rather Sarkozy than Gauck. The problem is just that, after some time, they found out that probably not all of them can be Sarkozy, but only some two or three of them. So, we are in a process where the European Council has to establish its exact role. As I said, they are not Gauck and they are not Sarkozy. They are rather somewhere in the middle. Where exactly? This needs to be defined and established.



A vision of the governance system of the European Union

It is clear that we have seen some very positive elements emerging with the European Council. There are also clear short-comings. On the positive side, I would say that we have to admit, they are now able to discuss issues at European level that could not previously be discussed, especially issues linked to national budgets: these are very serious decisions that up to now were not available for European debate.

At the same time, we can see that this has been accompanied by important short-comings. The first short-coming is the lack of expertise. Why lack of expertise? When we use the Community method, the European Commission spends years studying an issue. We have stakeholder's consultations. It is a very thorough process and the quality of that process cannot be compared to the more ad hoc and spontaneous agreements taken in the European Council. But if you have a problem of expertise, you also have a problem with efficiency. Because very often you learn - and sometimes you find out very quickly - that what was decided could not actually be implemented. The six months between Deauville and the Autumn turn-around - which was an 180° turn - was a demonstration of this principle. There was at the beginning a strong impetus for private sector involvement but the consequences for that would have been disastrous. So, for me, it is a clear indication of an initial lack of expertise which led to a lack in efficiency.

And the third problem is lack of legitimacy, not every participant has the same possibility to impact on the result. Not every single Member State is involved in the same way in the preparation of a decision, as we have with the European Commission where all the Member States sit at the table with their own Commissioners.

So, if we accept this, and if we accept at the same time that this was the only possibility in a time of crisis, then we need to envisage a process where we come from European debate in the European Council and European decisions in the European Council to moving such issues into the Community system. And this is where we are now, with the Six Pack and the Two Pack and it is important that all the structures being created are compatible with the Community Method.

**Third point:** How does the EU system develop? I think we have to accept that the European crisis is leading to major constitutional changes. When I say constitutional changes, this does not necessarily mean Treaty changes. But the constitutional nature of the Union is rapidly changing. What we perceive when we are in the process as being painfully slow will surely be seen by historians having some distance to the process as having happened at the speed of light. So what is happening at the speed of light? What is happening at the speed of light is that decisions are now taken at European-level which really go to the core of national decision making. What could be more at the core than the national budget, the way you spend and all that is happening to programme countries which now submit their budget in advance to the European Union. This is leading to a major step forward in European integration because the blind spots which were allowed in 1991 under the Maastricht Treaty for the currency Union (which were: we can have a currency but we do not need a central intervention mechanism - we are presently painfully creating with the EFSF and the ESM - and we can have a currency and make do with a European budget of 1% of GNP). All these blind spots are now, one after the other being tackled and addressed because that is the precondition for the currency to survive.

But it also means, if this is true, that we have a completely different need for legitimacy for what we are doing on the European Union level. So we need to be looking for the following: how can we strengthen the legitimacy of the European system? And for sometime we will have to find that additional legitimacy within the framework of the existing Union Treaties. This is because major change in the Union Treaties is not conceivable in the coming years. How do we get more legitimacy into the system? I think the key question is that there is a credible answer with the citizens, that in fact our citizens can change the course of events. There are many definitions of democracy. The one I like the most is that you can change your government without bloodshed. This is a pretty simple definition. So, you can change your Executive without bloodshed. How can you change the European Executive without bloodshed as a citizen? Well, this would not be easy. Alternatives are not really known ahead of the European election days. For me, it is crucial that in the future the alternatives in terms of personalities and in terms of policies are well known before election day so that people going to vote have a choice. This may be disappointing for Parliament, but we must realise that when it comes to elections (the national elections we know), people go and vote, they vote for Parliament but they think about the Executive; they think directly about the Prime Minister they want.

They think about Schroeder or Merkel and the way to express this is with Parliament. Last time, already, one European Political Party had a lead candidate: the EPP had Mr. Barroso. I am convinced that other European Political Parties will follow the same idea for the 2014 elections. So, still rudimentary. But, in case of this or that majority in the European Parliament, it will be better known who will actually accede to the Executive and who will be the President of the European Commission, especially given that the European Commission has the monopoly of policy initiatives. The crucial role in this has to be carried out by European Political Parties. European Political Parties are about to change from basic programme organisations which they were to instruments of policy coordination. We are in the middle of that process already. The European Political Party I know best is preparing 11 different Councils of Ministers meetings every year, which means that ministers are coming together with Members of Parliament and sometimes Commissioners; and they do not merely have breakfast or coffee meetings, they prepare policy positions. These entities have developed enormously over the past ten years and they must become the nucleus around which choices are made.

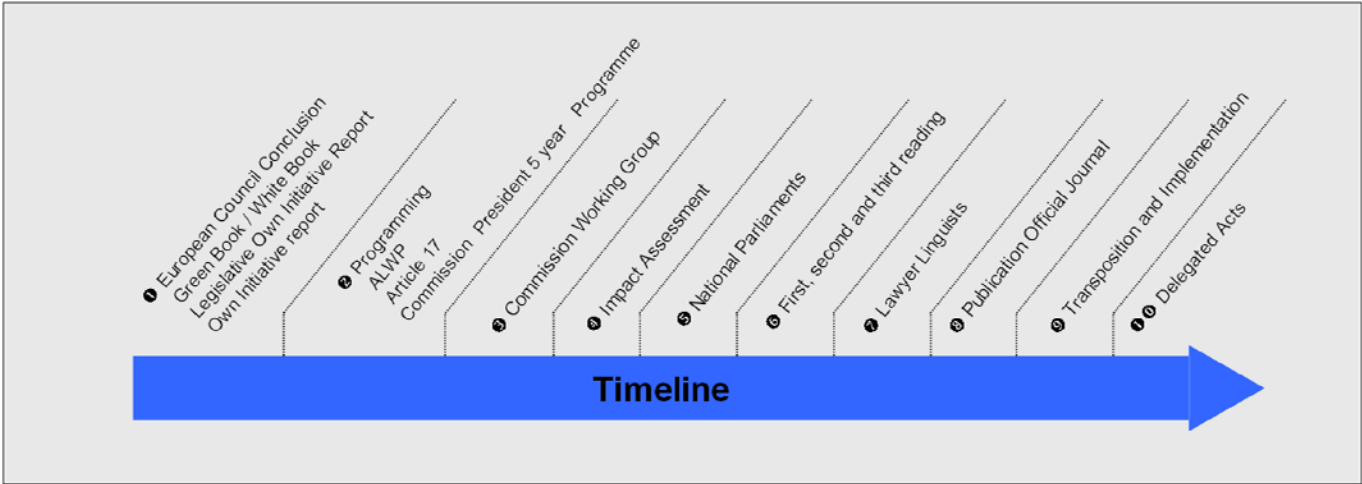
**Fourth:** So my fourth point is consequences for the organisation. I cannot go into every detail but maybe I can give you some basic orientation about what we are trying to do. First, it is absolutely crucial that our resources are concentrated for political functions. So, resources in Parliament are being concentrated for political advice and legislative support. If we have a look back through previous budget procedures, I can say that I have proposed two absolutely "irresponsible" budgets: 2010 and 2011. Not from my point of view, of course, but from the point of view of others. We have created about 500 additional posts for policy support which means parliamentary committees, policy departments, library, political groups staff, legal services and also assistants to Members. Why? - Because otherwise this would have been completely irresponsible! I give you one example: the Economic Affairs Committee. All financial service regulations in the EU are currently being overhauled. Previously, we had a situation where that Committee had seven administrators. Can you tell me how we would have, in a responsible fashion, more or less reworked the entire legislation on financial services in the EU with just seven administrators? I cannot. We now have twelve, much better, plus some external experts. Further, we have support from the policy departments and the library. I have taken the liberty in a meeting with the British Minister of European affairs to inform him that nothing would be more costly for Britain than an incompetent administration within the European Parliament and nothing would be more costly for the City of London than an incompetent administration within the European Parliament.

We are also using synergies through compatibility, which means that the various services now share the same focus. That is, they are concentrating on the same objective. We have restructured the library services, we have restructured the legal service, we have continued with our policy departments and we have restructured our press service.



All these structures are now compatible, focusing on content and working in teams. While we have been skimming our language services, we have last year increased productivity in translation in the European Parliament by 20%. This has allowed me to move 72 posts into political support, into a new directorate for impact assessment, into a new unit for economic governance, into a new unit to follow the Sakharov Prize, into the staffing of the House of European History. What we are experiencing is not merely requesting additional resources, which in the current political climate would be impossible, but we are redirecting resources within Parliament from technical support to political support.

Secondly, we are trying to focus on agenda setting. It is true that the Commission has the monopoly for initiative. But the reality always has been slightly different. When you read through European Council conclusions, you find very concrete ideas about exactly what should be produced (and when). So, if you give up the agenda setting capacity you are basically dealing with the agenda of others. Clearly the Parliament has a strong interest to impact on its own agenda. I have to mention that there is an article in the Lisbon Treaty with which I am very well acquainted, but I am the only one who knows about it, or rather the Commission definitely prefers not to acknowledge it - that is article 17 which reads, "the European Commission initiates the annual and multiannual programming of the Union with the view to reach inter-institutional agreement". The first part of the sentence is well known in the European Commission but the second part seems only to be known by us. So we are obliged to reach inter-institutional consensus. That is in the Treaty. It is a Treaty obligation. Of course, this does not come as a strange idea to Parliament. It means: we need to sit together, Commission, Council and Parliament and we need to agree on what we want to do next year, what we want to move forward and what we want to finalise. We can also call it programming. This also means that the Parliament cannot stay in a position where we basically wait for what is coming next. We have to actively prepare to shape the agenda ourselves.



A vision of the full legislative process in the European Union

We have told the Commission that we are finishing with institutional amnesia, that means we are no longer taking decisions in Plenary on what we would like to be getting from Commission and then forgetting about it the next day. It is in a big book. We know what we have been asking for and we are following through: has it been delivered? Has it been partly delivered? Is it in the pipeline? It is colour-coded with our aforementioned green, yellow or red?

Fortunately, recently, we have seen more green than in earlier days, but we are monitoring this in a much more systematic fashion. And if we do not see anything coming forward from the Commission, we now have an instrument nobody seems aware of, the possibility of legislative own initiatives. This means: parliamentarians formulate a report and in the Annex you find the Law. Of course for individual Members of Parliament this is actually problematic to do. So we are now putting the resources behind this from the legal service, from the lawyer-linguists, from the policy departments, from the parliamentary committees, from all services involved in assisting our Members to establish a legislative own initiative report and, under the framework agreement with the Commission, the Commission has to respond to us within three months - if they are going to take it up or not, and if the answer is no, they are obliged to provide justification in the Plenary.

We are also no longer focusing on first, second and third readings. We now look at the whole production chain. The production chain for the European Law takes about seven years, from first concept to implementation - which, by the way, is far too long. But it has early phases with programming and it has later phases with implementation. And our work in the Parliament administration is increasingly devoted to these other parts. This is one of the reasons why we have established our own directorate for impact assessment. By the way, our understanding of impact assessment is that we are not only checking impact of legislation we propose but we also have a unit dealing with the cost of non-Europe. The historians among us do know that 25 years ago we were aware of costs of non-Europe, when we pushed forward the Cecchini Report and the Internal Market Programme. And the basic idea was that there may be potential gains if you do not have 27 different sets of regulation but one set of regulation. Indeed, I think the financial service area is wonderful proof of this. If we had established some of the rules that we are establishing now ten years earlier, or at least five years earlier, we would probably have saved ourselves a lot of money that we are now having to put into the pot for the financial crisis. So, there is such a thing as cost of non-Europe. If we can substantiate this argument, we have the possibility of legislative own initiative report.

To finalise, I would mention a third issue which might seem rather strange. And this third issue I would like to mention is identity. What do I mean by identity? National systems have invested much in constructing their own identity. I am a German, so I know what I am speaking about. Even the expression "Germany" traditionally did not exist. Germany existed only in the plural: "Germanies". In Napoleon's time, you had about 300 Germanies. It is only since 1871 that we have had something like Germany - historically this is not so very long ago. In fact, it is rather recent.

Since then we have been reconstructing our own history as if we had always had a nation-state, which is in fact completely untrue; in order to stabilise that identity, for instance we have created national museums, we have created national curricula and we have reconstructed national history. If we want to build a lasting Union of solidarity, we also need to invest in our European identity. We need to understand history as European history and not merely a compilation of national histories.



Debate at CEPS with the Secretary General of the European Parliament - Brussels, 29 March 2012

I do not know how many of you have already visited our Parliamentarium just opened a few months ago as an attempt to contribute towards this. We are now working on a project which is called the House of European History. We are hoping to open the House of European History in 2014 located in the immediate vicinity of the Parliament. This will contribute towards our identity, help to make us understand that our 500 millions of citizens do not only have a common market but they also have a common identity. And we are rediscovering the fact that the European Parliament is the owner of the Jean Monnet House, the house that Jean Monnet inhabited and that the Parliament took over a long time ago. But we forgot about. So I have insisted that every new administrator entering the European Parliament, within the first months, attends a seminar in that building, so that we are knowing where are coming from and what we are here for. Thank you very much.