Mr Chairman,

My aim today is to ask some fundamental questions: The first question is how can we make the EU better understood?

We have to establish a better comprehension of what should be done at European level, and what should be left to the member states at national, regional or local level. The current lack of clarity here creates the impression that power is draining away from national governments to the centre, in Brussels.

And we have to do more to explain to our citizens the practical benefits they derive from EU membership. But perhaps at the same time we have to provide a more coherent statement of what the EU is there for. The Treaties, lengthy and complex as they are, do not do so.

This need not mean drawing up a long list of every activity of government, setting out in detail who should do what, and at which level. That would take years to negotiate, and anyway there are many areas where the EU and its member states will want to act together. But there is a case for a simpler statement of principles, which sets out in plain language what the EU is for and how it can add value, and establishes clear lines between what the EU does and where the member states’ responsibilities should lie.

Put like that, few people could object. But call it a constitution, and suddenly for some it doesn’t look like such a good idea.

My own view is that we shouldn’t get hung up about the labels. Yes, most countries are founded on single-text, written constitutions. But just because an entity has a constitution doesn’t make it a state. Many organisations, including the Labour Party, have constitutions. It’s the substance that matters, not the name.

One principle which should stay at the heart of the EU is subsidiarity – the idea that action should be taken by the Community only if it can do a better job than the member states. Although this idea has been around for a decade, we have not yet hit upon an effective way of enforcing it. One way could be to set more detailed requirements as to how subsidiarity is applied, and to strengthen the ability of the European Court of Justice to overturn EU legislation which fails the test.

Another could be to give national Parliamentarians a role as the guardians of subsidiarity. This could also be a task for European Committees from Parliaments across the EU, meeting collectively. Or, as we have already proposed, a new second chamber of national Parliamentarians could perform this role.

Once we have clarified what the EU should be doing, we should turn to my second question: how can we make the EU more democratically accountable?
Some argue that the President of the Commission should be elected by the European Parliament. I don’t buy that. This would undermine the Commission’s independence, and make it the prisoner of the largest political grouping of the day. Members of the Commission are themselves wary of this step.

Instead, we should maintain the institutional balance and strengthen the EU by making all of its institutions more effective. We have to begin with the Council of Ministers. Although democratic legitimacy should reside in many different parts of the EU’s structures, democratic accountability does lie first and foremost with the Council.

People expect their Head of Government and Ministers to look after their interests, and will hold them to account in their national Parliaments, national media and national elections. But can a Council of 25 or more governments do more than just talk? Can it take decisions? If so, how? I believe it can, but reform is needed if it is to do its job better.

We have to look again at the rotating Presidency. This was originally devised for a community of six: one Presidency every three years. At 25, it will be once every 12½ years, or eight times a century.

The Presidency system has enormous attractions. It gives every member state – large or small – an equal stake in running the Union. But it was very striking that Louis Michel, the Belgian Foreign Minister, concluded after his country’s Presidency that the system no longer really works in a Union of 15, let alone of 27 or more.

This has everything to do with the size of the Union, not the size of the country holding the Presidency. If a much larger EU is to be effective and cohesive, then we need a much longer planning period than the six months of a Presidency, to avoid the artificial peaks of activity which a Presidency induces and to have a better way both of establishing and delivering strategic objectives. This is not to say that we should abandon meetings in the member states. I myself have gained valuable insights into the thinking and outlook of my colleagues from visiting them for informal Councils. So I hope that, even as we reform, we can preserve the traditions of occasional informal meetings away from Brussels.