

The State of the Union in 2009: the key achievements of the Barroso Commission

1. *Uniting Europe: Stability and prosperity for a Union of 27*

The Barroso Commission took office just months after the accession of ten new Member States, the biggest EU enlargement ever, followed by the accession of Romania and Bulgaria in 2007. The near-doubling of the number of Member States increased the dynamism but also the diversity of the EU, bringing in new political perspectives and traditions, different historical experiences, and new divergences in economic development. These proved both an asset and a challenge for the process of European integration.

Many observers thought that effectiveness and ambition would necessarily suffer in a larger EU (and a larger College of Commissioners). The Barroso Commission proved the contrary: The extension of the Single Market to continental level worked smoothly, and policies ranging from trade to agriculture or energy now enjoy the critical mass of support from 27 Member States. EU cohesion policy, refocused on improving long-term competitiveness, has driven forward economic modernisation across Europe. The renewed social agenda has updated social policy for today's Europe.

Major new legislation has been agreed on the initiative of the Barroso Commission to put the Single Market firmly at the service of citizens, for instance through enhancing passenger rights in transport, cutting mobile phone charges or facilitating cross-border payments. At the same time, in line with its commitment to better regulation, the Commission has simplified the EU rulebook, proposing to remove almost 10% of legislation from the statute book.

Enlargement has enhanced the dynamism of Europe's economy, giving a new impetus to the Lisbon strategy for Growth & Jobs. The perspective of joining the euro has acted as a catalyst for reform in many countries. Enlargement of the euro area has brought membership of the euro to 16 countries, with many others keen to join. The stability of the euro, reinforced by a revised Stability and Growth Pact, has acted as a major protective shield for Europe during the financial and economic crisis.

The reforms of the last years have put Europe in better shape to respond to the current economic and social crisis. But the EU has also been able to react to the changed outlook. The European Economic Recovery Plan balances an immediate stimulus with the demands of long-term sustainable growth. It goes hand in hand with a fundamental overhaul of Europe's financial system, and makes the most of the Single Market's role as one of the key drivers for European economic recovery. Initiatives like the European Globalisation Adjustment Fund target specific help to Europeans in hardship, doubly important in the global recession. In overcoming the crisis, Europe can build on the major strides it has made over the last years towards

a knowledge economy, through innovations like the European Institute for Technology and unprecedented increases in the resources devoted to research.

Europe today also offers more freedom and security to citizens across the continent than was the case five years ago. Free borders have been extended to nine new Member States: 400 million citizens now enjoy passport-free travel across 25 countries. Whilst border controls have been upgraded to make Europe's external borders more secure, EU Member States have stepped up the coordination of their efforts to fight crime, combat terrorism and to improve judicial co-operation across Europe. The new comprehensive approach to migration combines increased opportunities for legal migrants into the EU with the promotion of their integration into European societies, and the fight against illegal migration and human trafficking.

2. Securing Europe's future prosperity: paving the way towards a low carbon economy

The last couple of years have seen a revolution in Europe's approach towards climate change and energy. With the ambitious package of legislative measures prepared by the Barroso Commission and approved by the Council and the European Parliament in 2008, Europe showed itself ready to give global leadership: to tackle climate change, to face up to the challenge of secure, sustainable and competitive energy, and to make the European economy a model for sustainable development in the 21st century. Europe is the first economy in the world to put in place legally binding measures that will allow it, by 2020, to reduce greenhouse gas emissions by 20%, to increase the share of renewables in energy consumption to 20%, and to boost energy efficiency by 20%.

The EU's climate and energy package represents a green "new deal". It shows that it is possible to design climate-friendly policies that also act as drivers for growth and jobs. Moving to a low carbon economy will encourage innovation, provide new business opportunities and create new green jobs. This policy also reduces the exposure of the EU economy to rising and volatile energy prices, geopolitical risks and risks related to inadequate supply chains that are not keeping up with global demand growth. Finally, it places us in a good position ahead of the international Climate Change Conference in Copenhagen.

Moreover, Europe has made major strides towards a common energy policy, putting in place a true internal market, and tackling the vulnerability of gas supplies by a Europe-wide energy grid and rules for solidarity in a crisis. Almost 4 out of €5 billion of the specific Union contribution to Europe's economic recovery plan are devoted to funding trans-European energy infrastructure.

3. Shaping Globalisation

Europe's place in the world rests not only on its scale, with 27 countries bringing together half a billion citizens. It is also committed to a shared view of the world: democratic, free-trade, outward-looking, responsible and non confrontational. It has all the assets to take a lead in reforming global governance to address the challenges of globalisation, such as poverty, global health issues, migration, environmental protection or terrorism. Over the last five years, the EU has

demonstrated its capacity to help bring solutions to the crises in Georgia, the Middle East and Africa. It has shown moral and political leadership in the context of the financial crisis, with the G20 agenda reflecting European priorities and solutions; and is leading by example in the climate change negotiations.

At the same time, it has invested in regional stability in its neighbourhood and has promoted effective and ambitious partnerships with global powers to defend the European interest and European values. Transatlantic relations, the partnership with Africa, and the approach to emerging powers such as China, India and Brazil all show a confident and effective EU, valued as a reliable partner.

1. The challenges in 2004

This Commission started its work against the background of a rapidly changing Europe. Just a few months before, the EU had completed an enlargement unprecedented in its scale and ambition. Ten new Member States had joined the Union, and it was preparing to complete this enlargement with the accessions of Bulgaria and Romania at the start of 2007.

This enlargement demanded reforms to the EU's priorities and its way of working. A near-doubling of Member States brought extra diversity, with all the richness, and the complexity, that follows. It meant incorporating new political perspectives and historical experiences into the Union's approach. It meant institutional adjustments and tackling new divergences in economic development. This process of adaptation needed attention and sensitivity, to reshape policies and practices without losing the momentum of EU action.

The consolidation of an enlarged Europe took place against the backdrop of a challenging political environment. Divisions over foreign policy had created tensions in the EU's approach to external relations. There were doubts about the effectiveness of key policy tools such as the Lisbon strategy and the Stability and Growth Pact. In particular, the EU was soon to see the rejection of the Constitutional Treaty by two Member States, forcing the Union re-examine the way it had intended to ensure that enlargement was accompanied by a more democratic and efficient Union – and to demonstrate once more why the EU deserves the confidence of Europe's citizens.

These pressures inside Europe were matched by a growing realisation of the importance of globalisation. As new global powers emerged and societies across the world had to adapt to a new interdependence, Europe could not allow itself to neglect the new realities. Tackling issues like energy security, climate change, and migration – as well as facing up to the challenge of economic crisis – required a European response. As a champion of open markets and heavily reliant on trade, the EU faced the imperative of shaping globalisation to bring benefits for the European economy and European society.

2. Serving Europe's citizens

The European Union exists to serve its citizens. Its principles, values and objectives are set out in the Treaties. But these must result in direct benefits for European citizens, delivered in a way which fully respects Europe's democratic traditions.

The Single Market was built around the four key freedoms of goods, services, capital and persons. These freedoms are not abstract economic ideals. They represent freedom for individuals to travel, work, invest, and go about their business within the European Union. On this basis the EU has built a commitment to ensure high standards for citizens as consumers and travellers, and to play its part in providing the public service of increasing citizens' safety and security.

2.1 *Creating opportunities for Europeans*

The European Union can play a major part in providing access and opportunity for citizens. The economic crisis once again underlines how the Single Market is essential to help consumers and workers facing the hardship of economic downturn.

The Single Market has already delivered great benefits to Europeans in terms of consumer choice and lower prices. The single euro payments area has made it as easy to make payments in another part of the euro zone as to make them at home. Telecoms show how access for new market entrants and a careful watch over the market can bring lower prices for all. New rules on "roaming" have brought affordable and transparent pricing for all cross-border calls, with price cuts of up to 60%. Overall, mobile call prices fell by 14% in 2006-2007 alone.

A strong and consistent line in the enforcement of EU competition rules ensures that companies and states compete fairly, that they do not break the law to drive competitors out of the market and do not conspire to exploit consumers. As a result, in 2008 alone, competition enforcement has saved consumers more than €11 billion and led to over €3 billion in fines. For example, in 2008 the Commission levied the largest cartel fine in EU history – nearly €900 million – on the glassware company Saint Gobain. For five years, it had kept the cost of car windows artificially high by agreeing prices with its competitors.

Consumers also need to have proper protection when things go wrong. Air and rail passengers now have a right to compensation after long delays or cancellations. There are new rules to stop hidden charges in airline websites – as well as a blacklist of airlines which fail to offer minimal safety guarantees. The "single European sky" will lead to shorter and safer flights. EU rules are also being used to ensure that bank depositors enjoy more rights and are guaranteed more compensation if hit by financial crisis. Consumers can be surer than ever before that the rights they enjoy in one Member State will be mirrored in others.

A major contribution that the EU can make is to give citizens the ability to work throughout the Union. Part of the enlargement process has been a gradual increase in the freedom of citizens from newer Member States to work beyond their borders, a process which will be complete by 2011.

Citizens also need the confidence that in moving to work from one Member State to another, they will enjoy a basic set of rights. This is the goal of initiatives on non-discrimination and rules on minimum rights like maternity leave, as well as rules for temporary agency workers to ensure that such workers enjoy fair treatment.

Open borders in Europe

Abandoned border posts across Europe are a potent symbol of one of the EU's most recognisable achievements. Today, over 400 million people live in the Schengen area. It covers 22 EU Member States plus Iceland, Norway and Switzerland.

This freedom to travel inside Europe has been accompanied by measures to ensure that security is not compromised as a result. Common standards of external border control, police cooperation and the exchange of information mean that the protection expected by citizens is maintained.

The benefits of mobility go beyond the workplace. Europeans should be able to feel at home anywhere in the EU. The extension of the Schengen area to include 25 countries has extended the borderless Europe to millions of citizens. The 1.7 million students who have passed through the Erasmus programme have enjoyed the unique experience of learning in another Member State. The disabled have been given more rights to guarantee minimum standards when they travel. And proposals for cross-border patient care would ensure that moving within Europe is not an obstacle to offering good healthcare for all.

2.2 Protecting Europeans

Even a secure and prosperous society needs action to protect its citizens from risks. When the EU acts so that households do not have their energy cut off or that future generations are confronted by the worst ravages of climate change, it is looking ahead and tackling risks in good time. When it identifies future skill sets and promotes technologies for tomorrow's markets, it protects businesses and jobs from the risk of falling behind in the global economy. And when it liberalises in areas like postal services or transport, the EU acts at the same time to preserve public service standards through defining obligations to protect consumers' interests.

In a Europe with a single market and open borders, the European Union also has a particular responsibility to ensure that extra freedom does not have negative side-effects. That is why the freedom to move inside the EU is accompanied by measures to promote effective cooperation between police and justice authorities across Europe. The European arrest warrant for serious criminal offences was agreed to replace the previous web of extradition arrangements between Member States. In making procedures faster and simpler, and in ensuring decisions are taken without political interference, it has helped to ensure that justice is effectively and fairly pursued across national borders. There have also been measures to allow exchange of DNA information, as well as increased help to victims of terrorism.

Responding to emergencies together

Solidarity is central to the way the EU works. So when one part of the EU faces a major natural catastrophe, it is natural for the EU to help. In the hours following a crisis, civil protection teams from Member States are brought in to help local emergency services, with this mechanism now triggered some 20 times a year. And an EU Solidarity Fund has been set up to help long-term reconstruction—intervening 34 times since 2004, in 18 different Member States, with total support of €700m.

A typical example of this two-stage support came when forest fires ravaged Greece in 2007. Nineteen different offers of assistance were taken up, to provide fire fighting teams, equipment, planes and helicopters. And the Solidarity Fund provided almost €90m to meet the cost of cleaning up areas hit by the disaster, and restoring essential services.

European cooperation can help to protect citizens in many different ways. Pooling civil protection resources means that help can be brought more quickly to the victims of natural disaster. Concerted action in the avian flu crisis ensured that the risks to

health were minimised. A new information system ensures that health authorities across the EU are immediately alerted to new risks.

2.3 *The EU as a working democracy*

Citizens have a right to expect the highest standards of democratic legitimacy and accountability from the institutions of the European Union. At the core of this are the two pillars of democratic representation in the EU: the European Parliament – as directly-elected representatives of the citizens – and the Council and European Council – as the voice of the Member States. The Treaty of Lisbon will reinforce this democratic core still further with more powers for the European Parliament, a greater role for national parliaments, and the introduction of a citizen's initiative enabling direct petitioning with one million signatures.

The European Commission's accountability to the other institutions will also be reinforced by the Treaty of Lisbon. Already, the Commission devotes particular attention to public accountability through the European Parliament. It responds to over 7000 parliamentary questions every year, and appearances by Commissioners in the Parliament are now a regular feature of EU politics, with over 400 appearances in plenary sessions every year. The Commission now also gives special recognition to the importance of national parliaments: since November 2004, Commissioners have met with national parliaments and their committees on some 500 occasions, and in 2006 set up a special mechanism to ensure a privileged dialogue with national parliaments. This dialogue has been used on over 400 occasions so far.

This Commission has actively encouraged participative democracy and dialogue. Through its Plan D initiative, launched in October 2005, it has created new fora and developed new processes allowing individuals and organisations in all 27 Member States to become more actively involved. An innovative example of this new approach are the citizens' consultations, culminating in a citizens' summit in Brussels in May this year.

The Commission also seeks to apply the highest standards of public service to the way in which it works. This includes promoting a high degree of openness through rules on access to information and on consultation. The Commission's European Transparency Initiative set up a new framework for relations with lobbyists and brought more transparency on the beneficiaries of EU funds. Public consultations are now a standard feature of all major policy initiatives, giving everyone a chance to influence policy at an early stage – over 100 such consultations are now launched each year. And key proposals are worked through with a publicly-available impact assessment to ensure that the economic, social and environmental consequences of action have been carefully thought through.

At the same time, the EU has been working to simplify its rulebook and make it more accessible for citizens. Some 1,300 acts have been proposed for removal from the statute book, some 10% of the total, with more to follow.

The EU's democratic responsibilities also include sound financial management. The European Commission has been working with the European Court of Auditors to cut

rates of error and to have the controls in place to prevent misuse of funds. With 80% of the EU's budget paid out by national authorities, cooperation with Member States' authorities is a vital part of moving forward. An example of progress was in the Court's decision to give a clean bill of health to the 2007 accounts.

3. A springboard for Europe's future

Europe's success tomorrow relies on its actions today. The European Union is built on the foundations of core values and agreed long-term goals such as open societies and open economies. It has proved able to translate these into concrete steps that take many years of preparation and implementation. The basis of the EU as a marketplace was put in place in the years leading up to 1992, and since then it has been extended, updated and refined year by year. The resilient and reliable euro we know today was built on many years of bringing different economies together. Enlargement required a careful partnership to prepare new Member States to take on the responsibilities of membership, and the EU is now reaping the benefit: both old and new Member States have enjoyed more prosperity and more security as a result. Economic integration has reached the stage that 80% of exports from the newer Member States go to the EU-15, while the last decade has seen the share of EU-15 exports taken by the EU-12 grow by over 50%.

The long-term challenges facing Europe today are different in nature and shape, and require new types of response. Global competition is intensifying, providing both an opportunity and a test. Knowledge and innovation are becoming more and more central to commercial success. An ageing population requires society to adapt. The limits to the supply of essential resources, like energy, are clearer than ever. And climate change threatens future generations with the spectre of huge damage to our environment, our livelihoods and our stability. Sustainable development requires the EU to chart the right path forwards.

Over the past five years, the European Union has tackled these challenges head on. It has shown its capacity to bring change and reform, balancing different interests and different concerns. It has set out a vision for the European economy which plays to Europe's strengths in terms of knowledge and a robust social model. It has agreed a spending programme where for the first time, over half the EU budget will be devoted to competitiveness and jobs. It has successfully enlarged the euro-zone to four new Member States. It has taken another major step on the path of bringing agriculture policy in line with the realities of today's rural communities. It has agreed the most comprehensive programme ever seen worldwide to ready Europe for a low-carbon future. The result is that the foundations are now in place to take Europe forward with confidence.

3.1 *Economic reform and social justice*

The economic crisis has shown the human cost of recession. Families and businesses across Europe have been hit by job cuts, falling incomes and empty order books. Public services, pensions and social protection are all being squeezed by a

fall in government revenue. And the results of increasing deficits to give room for economic stimulus will be felt well into the next decade.

Encouraging growth and jobs has been at the top of the EU's priorities. The European Commission set the scene by revitalising the Lisbon Strategy for growth and jobs. This strategy is all about helping to shape an EU economy that will deliver a more competitive economy, create more jobs and give the best deal for consumers: an economy ready to take advantage of the opportunities of globalisation. Amidst the financial and economic crisis there was a need to complement the Lisbon Strategy for growth and jobs with short-term measures creating immediate effects, starting with rescue operations in the banking sector, providing the framework for a targeted fiscal stimulus at national and European level, and finally creating the conditions for the return to normal lending by addressing the problem of impaired assets in the banking sector.

One of the top priorities before and beyond the crisis remains investing in people, in innovation and research, and creating the right climate for businesses to reach new markets and create new jobs.

- Investing in people means creating a highly skilled workforce able to adapt to changing demands. The EU has championed education and lifelong learning as a pathway not only to personal fulfilment, but to growth. There are now nearly three million more students in higher education than in 2000. There are almost a third more graduates in maths, science and technology. And the number of adults in learning activities has risen to almost 10%. The European Social Fund is now supporting training for some 9 million people every year, with action in every Member State. At the same time, the EU has set out how flexicurity can offer the right balance to today's workers, creating obligations to develop employability whilst encouraging a fluid labour market.

Training for the future

EU support can bring direct support to workers in the face of job losses. The closure of the MG Rover factory in the United Kingdom meant some 6000 lost jobs. The Commission acted quickly together with national and regional authorities in the UK to bring direct support from the European Social Fund, helping workers develop new skills to match new jobs. Then the Regional Development Fund was brought into action to help diversify the local economy, offer advice to new businesses and improve access to business finance. This action helped to ensure that within four months of the closure, 2000 of the redundant workers had found new jobs.

The EU also faces a huge demographic challenge. Every year, the numbers retiring from the working population outstrip the number of young people joining the workforce. Since 2002, up to 2 million people have migrated to the EU each year, helping to bridge this gap. Without such immigration, projections suggest that the EU of 2060 could see its workforce drop to almost half current levels, making it impossible to sustain today's tax and pension systems. Immigration raises social and structural issues which need to be taken into account. But the EU has spearheaded a debate to put the issue in its global context, underlining the need to take the labour force implications into account, as well as practical measures like a "Blue card" to identify legal migrants.

- Innovation and research are a pathway to maintain and enhance Europe's position as one of the foremost centres of knowledge in the world. This has a direct knock-on benefit for European companies, as well as furthering society's ability to tackle challenges in areas like health, transport and food security. The EU is now working to make the most of the pool of researchers in Europe. It brings together cutting edge research teams from across the EU in a European Research Area, pooling resources, achieving critical mass, and sharing the results. EU research projects have brought key breakthroughs in the last few years: such as finding new drugs to combat tuberculosis, or learning how to measure trends in the polar icecap.

At the same time, the EU has been looking at new ways to bring expertise together and create poles of excellence. That is why the Commission set up the European Institute of Innovation and Technology, a unique experiment in bringing together the worlds of education, research and business to spark new ways of stimulating creativity and harness it for commercial use. The first "Knowledge and Innovation Communities" will soon be chosen, tapping expertise from different sectors to bring a new perspective to challenges like green technology.

- Europe also needs an environment where entrepreneurs are encouraged to set up and grow businesses. The Single Market provides the foundation stone for Europe's businesses, a large and secure market in which to trade. With 80% of jobs in the last five years created in small and medium-sized enterprises, the Single Market must be allied to a proactive strategy of smoothing the path for business growth. The result has been that start-up times for new businesses have been cut from six weeks to one in most Member States, with the costs cut by a third. The Small Business Act set out ten concrete steps to help Europe's small and medium sized industries to grow.

With the Single Market needing a common framework of rules, the EU has a responsibility to ensure that these rules entail the lightest possible burden on business. Part of the EU's "better regulation" programme aims at cutting the burdens on business, with savings of €30 billion now in the pipeline. Most Member States have now signed up to follow the EU's common goal of reducing

Taking Europe into space

Working together, the EU can tackle huge challenges beyond the reach of single Member States. Satellite navigation has a huge variety of uses of direct benefit to citizens: it can be used to give warning of natural disasters, to control borders, to monitor fisheries, to improve transport management, to help safe transport of hazardous substances and reduce accidents. It rests on cutting edge technology, creating thousands of jobs. But it requires a huge investment.

The EU's Galileo project will put thirty satellites into space and be able to offer position precision of less than a metre. It is the prime example of a common European industrial project, showing how European technological excellence can offer a global lead attracting the interest of many global partners. The recent reprofiling of the programme has kept Galileo on track to become fully operational.

burdens by 25% by 2012. For example, removing the need for micro-enterprises to prepare annual accounts equates to savings for business of €7 billion a year.

This action has had a direct impact on jobs, with nearly 6.5 million new jobs created between 2005 and 2007. But the downturn has underlined how it is essential that the EU plays its part in providing the solidarity so fundamental to the European model of how society should work. That is why it set up the European Globalisation Adjustment Fund, to bring direct help to those facing new global competition and losing their jobs. The extra investment in human capital will pay dividends once recovery leads to a demand for the right skills in the right place.

The EU has also taken on a special responsibility to promote cohesion and the development of Europe's poorer regions. The current generation of cohesion policy is projected to create 1.4 million jobs in Europe's 15 poorest Member States. A proactive approach to rural development has helped to address reverse the trend of rising unemployment and increased depopulation – with this decade seeing a net increase in rural populations. The Commission has also pioneered a new approach to maritime policy, where the particular needs of maritime regions and the maritime environment are recognised and addressed.

3.2 Sustainable energy

Every European has a stake in Europe's energy resources. If energy supplies fail, Europe has seen how quickly households and businesses can suffer. If they are too expensive, the vulnerable in society suffer and Europe's competitiveness is hit. And with over half the EU's greenhouse gas emissions coming from power stations, Europe can never address climate change without a sustainable energy policy.

In 2005, the EU therefore decided to give a new priority to secure, sustainable and competitive energy. This means offering a vision capable of driving an EU energy policy into the next decades. Since then, it has been putting the building blocks in place:

- A true Single Market in energy, making full use of the potential of a Europe-wide market. Competition needs to work properly so that consumers get the best deal and essential infrastructure is not held back by fragmented national markets.
- Agreeing a target of a 20% savings in energy efficiency has held out the prospect of cutting demand to ease pressure on prices and reduce dependence on imports. As well as a dedicated programme to cut energy waste in buildings, The Commission's programme of new standards for products from light bulbs to tyres to

Tomorrow's energy today

Wind power is one of the energy sources with the greatest potential. The challenge is to bring it to commercial viability as quickly as possible. The EU has used its full battery of tools to encourage its use: political targets, research, regulation, and for the first time ever, in 2008 there was more new wind capacity installed in Europe than any other electricity generation technology. Wind power in the EU today generates enough power to cover the needs of more than 35 million EU households, and policies now in place should see wind power treble by 2020. At the same time, this cutting-edge industry has created some 150.000 jobs in the EU alone – as well as becoming a major source of exports.

televisions will make a huge difference to energy bills.

- Direct measures to get the infrastructure in place and the international agreements fixed to have diverse and reliable imports, and to ensure that energy can be moved where needed inside the EU.
- Agreement to develop carbon capture and storage, to allow future generations to reconcile using Europe's stocks of oil, gas and coal with the imperative of cutting greenhouse gases.
- A binding 20% target for renewable energy by 2020 to boost home-grown clean power and put Europe at the cutting edge of strategic technology – backed up by a major programme of research investment into new forms of clean energy.

These measures add up to a comprehensive, long-term programme to bring reliable and affordable energy to European households and businesses.

3.3 *Leading by example on climate change*

The global consensus about the risks of climate change has not yet translated into decisive action. Some steps have been taken. But many countries have held back, waiting for others to take the lead. And in the meantime, the price tag for failure to act has risen much faster than the costs of acting today.

In 2008, the European Union took a historic decision: to agree a target of a 20% cut in greenhouse gases by 2020, and to put in place the steps needed to make this happen. From 2013, the quantity of greenhouse gases industry can emit will be cut, year by year. Companies which fail to cut emissions will have to buy "allowances" on the market, and these allowances will become more scarce, and more expensive, every year. So the incentive will become stronger and stronger to invest in clean technology. This will be a major driver for European technological innovation and new jobs in the coming decades.

These cuts in greenhouse gas emissions showed that Europe was ready to make the most radical step towards addressing climate change yet seen. It was explicitly timed to inspire the UN Climate Change negotiations in Copenhagen in December 2009, showing global partners that credible and concrete action was possible, and that – with the right design – building a low-carbon society could be part of economic modernisation, not a drag on economic growth. And as an added incentive to promote an international agreement, the EU agreed to raise its commitment from a 20% cut to a 30% cut, if others followed its ambition.

4. Global Europe

Globalisation has led inexorably to a more interdependent and interconnected world. This brings a new challenge – as it becomes clear that many of the EU's key goals can only be met with a mix of domestic and international action. Competitiveness, energy security, climate change, migration – these are all issues where action within Europe alone will never be enough. But the same internationalisation has also given

Europe an opportunity, as other countries look beyond their borders, for cooperation and inspiration.

Over the course of the last decade, the EU has remained consistent in its approach to the rest of the world. And the underlying principles of the EU's external action have become more and more the mainstream of global opinion. The benefits of trade openness are recognised as central to prosperity. Even under the extreme stress of economic crisis, there is a widespread recognition of the risks of protectionism. Multilateral processes like the G8 and the G20 are seen as indispensable to a solution. The Millennium Development Goals have crystallised a common responsibility towards developing countries – a responsibility which the EU, as the world's largest development aid donor, has continued to champion. And the EU's action on climate change has sought to inspire a global commitment to cut greenhouse gas emissions through precise and enforceable targets. The interests of Europeans demand a strong global Europe as much as the 21st Century world needs a strong Europe.

4.1 The European Union and global governance

During the last five years, the EU has been able to make a major contribution to global governance. European standards have been in the vanguard of global efforts to address climate change and tackle the economic crisis. The European experience of regional integration has given weight to principles of openness and multilateralism at the global level. The European Union and the European Commission have been a constant presence in G8 and G20 meetings, in the World Trade Organisation, in the UN negotiations on climate change, and in all cases we have tried to lead by example.

As trader, investor and exporter, Europe's prosperity rests heavily on its economic relations with the rest of the world. The enlarged EU is now the largest integrated economic area in the world, accounting for more than 30% of the world's GDP and more than 17% of world trade. One of the disappointments of recent years has been the failure to conclude the Doha Development Round. But the EU is recognised to have been in the forefront of efforts to reach agreement, in the interests of developed and developing countries alike.

And the EU's external economic relations have not stood still in the meantime. The past five years have seen major advances, meaning that EU businesses have been able to trade more, invest more, and build new commercial alliances worldwide. This progress has been built on a clear commitment that trading

Spreading European standards worldwide

Lifts are now a standard feature of office blocks and apartment buildings throughout the world. This is a huge market: but one where safety standards are critical. So there is a big advantage in EU standards being taken on board as global standards – with EU manufacturers being able to export to standards already familiar at home.

The careful work of developing standards inside the EU has paid off with the decision of partners across the world – from South America to China to Australia – to take the EU standards as inspiration.

partners' access to the EU market carries with it obligations in terms of fair competition and reciprocity in market access.

The result has been that European companies can do business more easily. Action has improved market access in several areas, from lifting restrictions on exports of cosmetics to Korea and on drink sales in Malaysia to ensuring a level playing field for financial information providers in China. In addition, early interventions have prevented several potential barriers to enter into force – as in the case of high airport fees in Brazil. EU standards are also acting as the inspiration for the global marketplace – EU rules on cosmetics, for example, are now used by ASEAN, Mercosur and China. Such changes have a direct knock-on to growth and jobs.

At the heart of the EU's ability to promote this agenda is the strength that comes from working together. The "Open Skies" agreement took advantage of the EU's critical mass to reach agreement between the world's two biggest markets – the result is a liberalisation of transatlantic air travel that could mean €12 billion in economic benefits and 80,000 new jobs.

But the EU is not only committed to building prosperity at home through global action. It is also second to none in offering humanitarian aid and promoting economic and social development for the poorest on the globe. The EU and its Member States account for 60% of global development aid. The EU's humanitarian intervention office has brought support to over 100 countries since 2004, with around 150 million people helped every year. The EU has also shown itself able to respond to particular crises: faced with the sharp rises in food prices in 2008, the EU decided to set up a special €1 billion Food Aid Facility. This support was directed in particular to helping farmers to buy seed and fertiliser to rebuild developing countries' own food production capacity.

Reconstruction in the wake of disaster

When the tsunami struck in December 2004, the EU immediately recognised the imperative to respond. Within 24 hours of the disaster, the first humanitarian aid was on the ground in Asia. Over 1 million people received food aid; some 42,000 families were given shelter; and repairs to boats and fishing tackle meant more than 20,000 fishermen back at work within a year. In parallel, a €350 million programme of long-term reconstruction helped to rebuild the damage to coastal communities. The breadth of the EU effort included a particular effort to ensure that conflict did not undermine the reconstruction efforts: for example, helping to finance the mediation which led to a peace agreement in Aceh, demobilising combatants and monitoring the ceasefire.

As well as the quantity of aid, EU support must be well targeted and well coordinated. Targeting means working with recipients to ensure that funds will be well spent and will act as a multiplier for countries' own efforts at political, social and economic reform. Coordination means working to ensure that different donors' efforts work together to maximise results. EU development policy has been modernised to maximise its impact and to promote a truly mutual relationship between the EU and developing countries.

Finally, it has established its credentials as a positive force, mixing humanitarian aid, conflict resolution and democracy-building to make a real difference to some of the

most difficult global conflicts. In East Timor, in Chad, in Georgia, the EU has been able to make a decisive contribution to the peaceful resolution of conflict. It has undertaken some 40 election observer missions over the past five years, as well as a wide variety of missions to support the long-term democratic infrastructure of partner countries.

4.2 *European Union as a promoter of regional stability*

The EU has a special interest in the stability and prosperity of its neighbours. The pull of the EU as a good example is also particularly strong in its neighbourhood. The ability of the EU to attract others who wish to share the benefits of stability and prosperity is a powerful force. It has helped to build trade, to strengthen democratic institutions, and to lessen political tensions. The EU is pursuing enlargement negotiations with Croatia and Turkey, and has recognised the candidate status of the former Yugoslav Republic of Macedonia. Five other countries in the Western Balkans have been recognised as potential candidates. So all these countries are working actively to come closer to the EU's standards, to the benefit of their own citizens in terms of democratic reforms and economic development.

A similar effect is working with a wider ring of countries in Europe's neighbourhood. The European Neighbourhood Policy is an innovative mix of aid, political support and economic integration. The 16 partners involved benefit from access to the internal market and special trade concessions, as well as financial support. And at the same time, the Policy raises the bar for democratic reform. In the shape of the Barcelona Process: Union for the Mediterranean, and the Eastern Partnership, the EU now has two dedicated political processes to draw the political and economic threads together, and provide strategic direction. The result is that the EU now enjoys a platform to tackle issues like economic development, migration and democratisation which will determine the future of the European continent for decades to come.

4.3 *Partnerships with global powers*

The past few years have seen a deepening of the EU's investment in its relationship with key global partners – both to defend the European interest, and to work together to bring common solutions to global problems. It has annual or biannual summits at the highest level with partners from China to Brazil, from Japan to South Africa. The bilateral relationship with the United States has a particular place in these relationships: in 2007, a new Transatlantic Economic Council was set up, and with the arrival of President Obama, President Barroso looked forward to a 'new Atlantic Agenda for Globalization'.

A new era in EU-African relations

In 2006, the European Commission met the Commission of the African Union in Addis Ababa, Ethiopia. This meeting was proof of a new phase in Europe's relations with Africa. It showed how mutual interests and common projects had evolved from the traditional development relationship to cover such core policy interests as energy, migration, infrastructure and health.

A mature political relationship is an essential part of the picture. President Barroso had already signaled Europe's willingness to engage by visiting Darfur and raising the EU's humanitarian support to €340 million: this was backed up at the summit by the launch of an innovative African Peace Facility (APF) to support African peace keeping operations.

The Commission has also held executive-to-executive meetings with the governments of China, Russia and the African Union. It has been in the forefront of the creation and reinforcement of strategic partnerships with emerging powers, taking relations with China, India and Brazil to a new level. Relations with Africa have been a particular focus, with a new partnership of equals to put relations with Africa on a deeper footing. The EU-Africa Summit brings together leaders on a continental scale.

These partnerships fit into a vision of a multilateral global order, founded on international rules and institutions and on the cooperation between world and regional powers. At the institutional global level, the EU's common interest in the international political and economic system is cemented by the role of the European Commission as a permanent member of the G8 and G20. The influence of the EU as “problem solver” on the global stage has been brought to the fore in global efforts to tackle the economic crisis.

5. Europe – working together

The EU's achievements over the past five years are the fruit of a mix of factors as diverse as Europe itself. They reflect the variety of skills and strengths in different parts of Europe. They rest on a range of tools at the EU's disposal, from consensus-building, to the EU budget, to EU law. They result from the different contributions of the different players in the EU's institutional mix.

In 2007, the European Union celebrated fifty years of European integration. This anniversary underlined how much has changed: a Europe unified once again, with 27 Member States; an economic landscape transformed by globalisation; societies made more complex and fluid through fifty years of social and technological change.

But it also put the spotlight on what had made possible fifty years of achievement: the ability of the EU to develop through these changes on the basis of a common direction and common values – and as a result, to reach goals more successfully together than would be possible apart. This is as true in tackling the economic crisis, energy security or global challenges today as it was for Europe's founding fathers.

As the EU's remit has spread to new areas of policy, as the complexity of the issues it tackles has grown, and as EU enlargement has brought new diversity to the EU itself, it has become more and more clear that it is only through integration and political and institutional partnership that the EU can progress. To promote growth and jobs, to ensure security, to tackle climate change, to play a full part in global governance – all these goals can only be secured through mobilising forces at different levels of government and society.

Today's Europe is a mature EU, which has put in place the key building blocks for prosperity and social justice, and now has to ensure that they are adapted to new circumstances. A Europe focused on serving the interests of its citizens, on addressing the long-term challenges we face today, and on maximising Europe's global impact. Working together, the European Union achievements over the past

five years have secured more prosperity, solidarity and security for Europeans today, and laid the foundations to deliver the right Europe for the future.