Remarks delivered at a panel discussion organised by the EU Delegation to Canada on the occasion of the 60th anniversary of the Treaties of Rome

Ottawa, 27 March 2017

Ladies and Gentlemen:

Today I would like to give you a brief update of the events – recent, current and imminent – that are shaping Europe’s present stage of transition. With the 60th anniversary of the signing of the Treaties of Rome, what has now become the European Union is at a crossroads. I believe this is the perfect time to take stock of what we have accomplished together; give a dispassionate look at our challenges; and plan for the future. I will also trace a quick sketch of the place competition policy and enforcement have had – and continue to have – in Europe’s process of integration.

First, let’s see in some detail why this is a stage of transition for the European Union. The celebrations of the 60th anniversary of the EU had their crowning moment two days ago at Palazzo dei Conservatori on Rome’s Capitoline Hill where the original Treaty was signed on March 25, 1957. In two days’ time, the British Prime Minister Theresa May will formally launch the process that is expected to eventually take the UK out of the European Union. The significance of these two events, only a few days apart, will not be lost on anyone with an interest in European affairs.

I do not agree with those who note that the formal start of the Brexit process can spoil the forward-looking spirit we’ve all seen on display in Rome. Brexit is not good news for Europe’s process of integration. However, at this precise point in time – in between the celebrations in Rome and the letter from London – there’s an almost palpable sense that the EU is about to start writing a fresh chapter in its history.

The feeling that this is the time to re-think and re-launch the European project is shared by many. The European Commission – as guardian of the Treaties – has done its part with President Juncker’s White Paper on the Future of Europe adopted on the 1st of March. The White Paper lays out five scenarios from here to 2025 designed to spark a broad debate among Europe’s citizens and leaders. The five scenarios – ranging from ‘Nothing but the Single Market’ to ‘Doing much more together’ – intend to stimulate reflection and discussion in every quarter; from the man and woman in the street to political leaders and opinion formers.

The feature that sets the White Paper apart from similar efforts in the past – and there have been a few – is that it doesn’t paint a picture of the EU as it would look like in an ideal world. Not that there’s anything wrong with setting the bar very high; the EU is the most original geo-political project of our time, after all. But when those utopian plans have been proposed in the past, they have almost invariably resulted in disappointment. And that’s only logical. When the expectations are set too high, people think that actual results are "too little, too late" – even if they’re actually quite good.
The White Paper casts a critical look at the EU and opens an honest debate about what degree of communality the EU at 27 will need and what it wants to achieve in realistic terms. It is designed to inspire and involve people; the people who turned up in large numbers in the streets last week-end from Rome to – yes – London to say that the European project matters to them. The White Paper insists on engaging as many people and organisations as possible in debate. That is the reason why it presents not one but five scenarios.

Too many times in the past the EU institutions and its leaders have been depicted as a bunch of technocrats who take momentous decisions behind closed doors. This is largely an urban myth and everyday staple for anti-EU movements. The EU's advancement has never been detached from democratic processes in EU countries. However, it is true that today the European Union cannot grow taller or stronger if its democratic roots don't grow deeper into the ground.

When the EU has taken leaps forward in the past, it has always been in tune with debates at national level and with the will of the people. These are the conditions we need to replicate right now. At this stage of transition, the EU needs to take the pulse of popular sentiments and member governments' views. The time has come for us to decide where we want to go together.

The case for continued cooperation and integration in Europe – and with the rest of the world, I should add – is easily made. It is also thanks to the EU that its members have seen the longest period of sustained prosperity and peace in recorded history – and the Nobel Peace prize in 2012 is there to testify it. The difficult part comes when one turns to what exactly we want to do next and how. The Rome Declaration of the leaders of 27 member states and of the European Council, the European Parliament and the European Commission is a first indication.

The unprecedented prospect of a member leaving the Union is not the only challenge the EU is facing. In the past decade we've been hit by the most serious economic downturn since 1957; we've seen the banking and sovereign-debt crises; and had to cope with large numbers of migrants. These multiple and parallel crises have shaken the trust and confidence of the people. A loss of trust in institutions and the establishment is not only a European problem, of course; one can see it in the United States and elsewhere in the world. In Europe, we have been put to the test, but I would say that we have shown remarkable signs of resilience of late.

Let's look at the economy, for instance. The report published by the European Commission last month – we call it the Winter 2017 Economic Forecast – says that, for the first time since 2008, the economy is forecast to growth in all EU countries. The study also reports falling unemployment, a decline in sovereign debt and public deficits, and a healthy pick-up of inflation.

Now, let me clarify one important point. I have not crossed the Atlantic to stand before you and paint a rosy picture of the EU. The point I am making is that we have managed to confound the doomsayers who were predicting the impending demise of the EU – at least,
so far. More bumps ahead can’t be ruled out, but it seems to me that we’re definitely on the right track.

In this context, I am convinced that this extraordinary passage in our integration process is – in fact – an opportunity we can’t miss. President Juncker put it well as he presented the White Paper on March 1st. "We have Europe’s future in our own hands," he said. And one of the tools that we have to shape our future – one among many – is the tool that the Commissioner for Competition, Margrethe Vestager, is responsible for in the European Commission. Competition policy and enforcement can and do help instil a sense of fairness and equity in the economy and society at large.

In my opinion, competition policy’s main role in this context is related to the need to defend and strengthen the Single Market.

When the founding fathers of the EU were wondering how the countries and peoples of Europe could be brought closer together, they were looking at a deeply divided continent. The original six countries had different institutional arrangements and traditions; spoke four different national languages; and had been on opposite sides in World War II only twelve years earlier.

They could not count on the institutions of a federal state – like here in Canada. They had to think up what I’ve already called an original geo-political project. They eventually agreed that the unification of the continent – and a future of peace and prosperity – would have to be based on the progressive integration of national economies. One can say that the ideas that buttress the Single Market reconcile economic peace and economic growth, fairness and competitiveness.

To make sure that these ideas would be translated effectively into actual policies and decisions on the ground, the framers of our Treaties showed the rare political courage to give control over the competitive conditions in the Single Market to a supra-national authority, the European Commission. This is the feature that sets competition policy and enforcement in the EU apart from any other competition regime I know.

The European Commission has the responsibility to make sure that anti-competitive practices do not fragment the Single Market from the back door. And the responsibility covers both the practices of private businesses and the subsidies, tax-breaks and other forms of support granted by EU governments. As you know, this latter is what we call State aid control.

For over a decade now the responsibility for antitrust is shared with competition authorities in the EU countries. But all agencies – the Commission and national authorities – enforce the same competition rules. In mergers, we have a division of labour between the EU and national authorities. State aid control remains exclusive responsibility of the central authority in Brussels. To cut a long story short, in our institutional arrangement the Single Market is a pillar of the EU and competition policy and enforcement are a pillar of the Single Market – as well as a paragon of cooperation between EU institutions and Member States, each in their own areas of responsibility.
The basic competition rules included in the Treaty have not changed in 60 years. But our enforcement system has never stopped evolving to keep pace – or stay ahead – of technology and the way people do business. One evolutionary line I would like to mention before I close is the continued and growing need for cooperation across jurisdictions.

Established agencies – in the EU and Canada, for instance, but also in other jurisdictions such as the US and Japan – have been trusted partners for many years. We all are also active members of the ICN, which has been crucial to build links with less established agencies, such as those in Brazil, South Africa and other emerging economies. Together, in a multilateral process, we have helped to set the standards of competition control around the world.

The cooperation between the EU and Canada in this area has been a success story for a long time. I am confident that the application of the Canada-EU Comprehensive Economic and Trade Agreement and our own efforts to strengthen the links between us and Canada’s Competition Bureau will give new impulse to it.

Now more than ever we should build on our past achievements to make our cooperation even smoother and closer. International markets continue to integrate. Global value chains grow longer and stronger. To create wealth, business relies on open economies and comparable rules.

Just as this is the perfect time for us in Europe to renew our engagement in favour of the EU, it is also the time for competition authorities to stand up for bi-lateral and multi-lateral cooperation and defend the benefits of open and level markets over and above the boundaries of our respective jurisdictions.

This year, we are celebrating 60 years since the treaties of Rome while Canada celebrates 150 years since Confederation. Happy anniversary to both. Your landmark is a good benchmark for us to strive for.

Thank you.