

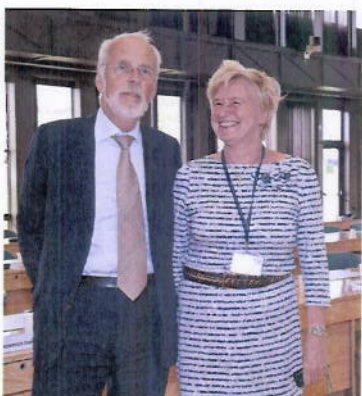
TOWARDS A EUROPEAN COUNCIL OF AUDIT?

Interview with **Mr Jan KARLSSON**, former President of the ECA

By Rosmarie Carotti

Jan Karlsson became the Swedish Member of the European Court of Auditors in 1995. In January 1999 he became President of the Court. He participated in the meeting of the European Parliament's Committee on Budgetary Control on 30 May 2012 on the Future role of the ECA – challenges ahead and possible reform. On the future of the ECA, he granted the Journal this interview on 7 June 2012.

Photo: BCL



Mr Jan Karlsson, former President of the ECA, Mrs Rosmarie Carotti

R. C.: Sir, you propose a change to the Treaty and an Auditor general to lead the European Court of Auditors. Would this improve the work of the institution?

Jan O. Karlsson: First of all, the Court functions well, the professionals of the Court are extremely well qualified and the fact that the Court is now working in Chambers is a great step forward.

The idea of an Auditor general has to do with leadership and management. You can't find one single handbook in management where having 27 managing directors is recommended.

Mr Tobisson and I are both former Members of the ECA and we wrote that we wanted the operations of the Court to be led by one Auditor general on his or her own authority, assisted by two deputies.

The idea was to have clear personal leadership.

It was always absolutely clear that it would be necessary to have a link between the institution and the Member States, but this could be organised in a different way rather than having one member from each country.

The way Lars Tobisson and I sketched it out was that we create a European Council of Audit with one member from each European country but that the member would not permanently reside and work in Luxembourg.

We thought the Council of Audit should have two duties: one, to adopt the working programme of the institution and the other, to say the final word on the budget, leaving it to the Auditor general to carry out what was decided by the Council.

That means that members would, so to speak, move back to capitals and that in each country we would have one counsellor in a body which is primarily responsible not for the institution, but for the general issues of the budget and the work programme.

R. C.: It is a fascinating idea but which would entail a change of the Treaty. Don't you think people have had enough of changes of the Treaty?

Jan O. Karlsson: I could not agree with you more. The last change of the status of the ECA was decided five minutes to twelve, so to speak. The initiative was taken by the chair country at that time, by Prime Minister Ruud Lubbers collaborating with the Dutch Member of the Court, who was then André Middlehoek.

The idea that Lars Tobisson and I had was that when we were preparing for the last Treaty change we should announce our plan. And it had come rather far. It was during the German chairmanship. But right before the Berlin summit, there were such big problems, and if I remember correctly, there were some large differences between the Polish government and the old members of the Union, particularly Germany. Chancellor Merkel, who was new in office at that time, made it absolutely clear: "sit in the boat and do not make any changes now".

We will have changes to the treaty from time to time. I would like to encourage a discussion now, so that we are well prepared when the next treaty change comes about, that we have a proposal ready.

R. C.: Would the citizen perceive it as a positive change right away? Would the Court play a smaller political role, no political role or an increased political role?

Jan O. Karlsson: I think that the citizens quite agree with the fact that you should run an institution with one person and not with 27.

What do you mean by "political role"? The Court is the referee. We should not take the ball and play the game. We should see to it that the game is played fairly.

I would say that the ECA would more adequately fulfil the role that the treaty already presupposes. I remember when we had the crisis in 1999. There were some members who wanted to make political statements then. It was my duty to see that they stopped that. It was very important at that time that the Court stay away from exactly that, because it was the Court's reports and the Court's work that set the basis for the solution of the crisis. If we had intervened into the political game then, it would have been like the referee stealing the ball during the match.

R. C.: Key-word "financial crisis". You also launched the idea that the Court should audit the national accounting of the Member States in the framework of the computing of the revenue for the EU budget.

Jan O. Karlsson: It has to be done - of course together with the national audit bodies. I see it in two steps. First of all, we have to strive for common definitions.

R. C.: Despite the many meetings between the ECA and the liaison officers from the Supreme Audit Institutions, we are far from it.

Jan O. Karlsson: As I pointed out in my speech in European Parliament, it has to do with the fact that the ECA has not been given a leading role in that process. I see the role of Parliament as going to the Council and seeing to it that the ECA takes the leadership here. We know what happened when we did not have these common concepts. We had had a lot of mis-accounting. It is very difficult to say whether we really know what we are talking about when we talk about GDP.

What has been missing all those decades is a leading role for a European institution, and that could be the ECA.

R.C.: Who else could it be?

Jan O. Karlsson: I think it should be the ECA, otherwise we could go to the OECD together and ask them to help us out. I think, the right thing is to do the job ourselves and then it is the ECA that does it, and that governments ensure that their national boards work loyally with the ECA to find a solution. We know what happens when we do not do it; this is the situation that we have right now. It would have been interesting to speculate where we would have been if we had created such a situation fifteen years ago.

THE BRIGE FORUM DIALOGUE « IMMIGRATION AND INTEGRATION IN EUROPE »

The speakers were Mr Vítor Manuel Caldeira, President of the European Court of Auditors and Vice- President of the Bridge Forum Dialogue, Mr Jan O. Karlsson, former President of the European Court of Auditors and former Swedish Minister for Migration and Development Cooperation, and Mr Cem Özdemir, Co-Chairman of the German Green party.

By Rosmarie Carotti



Photo: BCL

From left to right: Mr Cem Özdemir, Mr Vítor Manuel Caldeira and Mr Jan Karlsson

President Vítor Caldeira chaired the discussion on this topic which is one of the most urgent and controversial issues in European politics. A draw-back for the EU is, in fact, the recent decision taken by the Ministers of the Interior of the EU to give Member States the possibility to re-establish border controls in the Schengen area.

On the other hand, Europe needs immigration to address European demographic decline and to maintain a skilled and competitive workforce in Europe. The problem is how to manage legal immigration while fighting against illegal immigration and human trafficking.

Mr Caldeira summarised the main points in the EU's developing immigration policy. Since Maastricht, a number of rules have been adopted that constitute the so-called "EU Migration and Asylum Law and Policy", and the European Court of Justice plays a significant role in supervising this regime.

In the EU context there are three categories of migrants:

First, there are "inwards migrants", who migrate from one Member State to another. The Maastricht Treaty of 1992 provided them with the status of "Citizen of the European Union". They have many rights including those of voting in municipal and European Parliament elections in their country of residence.

Second there are migrants European States not in the EU, and third, there are non-European migrants. The "Blue Card" scheme enables qualified migrants from outside the EU to have easier access to jobs and educational facilities inside the EU.

The Commission considers integration as a challenge. Once legally settled in the EU, the migrants should be integrated into all the aspects of social life. Until now, integration has basically remained within the competence of individual Member States, with varying degrees of success.

Mr Karlsson shared the point of view that Europe plays a very important role in how to handle future governance of migration. For him, Europe is interesting from a demographic point of view, and to speak about migration one has to start with demographics.

Long ago, Europe was the part of the world which was developing and growing the fastest and which went out to populate the rest of the world. For a very long time, migration meant to leave Europe and build a life elsewhere, in North-, South-America, Australia, you name it. The turning point, when the net movement changed from emigration to immigration, came as late as in the 1980's.

That is very important when we discuss how it comes that the peoples of Europe have found it so difficult to adjust to the fact that nowadays the idea is to get to Europe.

Migration also has to do with life expectancy and birth-rates. Today, the average birth-rate in Europe is about 1.5 and almost all population increase is because of migration.

To overcome the problem of the ageing population we can persuade people to stay in the labour market longer, mobilise more women into the labour market, find ways to conciliate production and reproduction, which is the Scandinavian model. But the truth is that even if we combine these two actions in a feasible way, they will not be enough to cover the gap to make social insurance, pension schemes sustainable. We will need a deep increase in immigration to Europe.

We will also need to have a social organisation, so that people who come here really have the chance to work at capacity. That is integration.

The paradox is that from a political point of view, this is not a very popular statement and there is reluctance from the Member States to let Brussels decide. On the other hand, a common platform was a great defence when 9/11 occurred as well as during the financial crisis.

The Council and European Parliament say we should have more Europe, but Mr Karlsson suggests a more sophisticated approach to open up to migration, which is not to harmonise labour policies, but to coordinate them. And he refers to the report of Commissioner Malmström which proposes the creation of such a mechanism in Europe.

More needs to be done to achieve the successful integration of migrants into the societies in which they settle. Migration is a global thing run by national governments, integration has a local dimension. Where do they meet and what is the role of the EU in it? A proactive policy would mean migration together with integration.

Mr Cem Özdemir then took the floor. As party leader of the German Green Party, he told his personal experience of a German of Turkish descent who grew up in a small town at the time when there was no Schengen agreement.

To those who claim that multiculturalism has failed, he asks what the alternative is. He stands for more solidarity, burden-sharing among Member States and a liberal immigration policy, which combines humanitarian and economic interests. On the basis of human rights and a broad liberal conviction, he requests access to a fair asylum procedure and a more liberal visa regime for neighbouring countries.

In light of the mismatch between supply and demand in the labour market, he considers the blue card a good starting point, but the final aim should be permanent citizenship.

In line with this, convinced that education is the key to change things, he appeals to universities to become attractive for international students, offering them not only a temporary place where to study, but also a permanent place to work.

Finally, we all live in a globalised world and Europe will have to adjust to it. How can a globalised world can go together with the idea that multiculturalism has failed?