

**Wilfried Martens Speech EIN Summer University
Budapest, 16 September 2010**

**Re-Inventing EU Policies
Delivering Growth and Fighting Poverty**

The spoken word prevails.

Dear Prime Minister (Navracsics),
Dear Ministers,
Dear Joseph,
Dear Jaime,
Ladies and Gentlemen,
Dear friends!

I would like to thank you for giving me the opportunity to address the 9. Summer University of the European Ideas Network. And I agree it's a good idea to organise the Summer University in Hungary – the country which will hold the next EU presidency. And the country in which our friend Viktor Orbán and the Hungarian Civic party FIDESZ achieved such a brilliant electoral success in April this year. Dear friends from FIDESZ, let me congratulate you again on this result. For most of us in the EPP, a two thirds parliamentary majority is the stuff of dreams!

Of course, this election result is also a proof of how frustrated Hungarians were with the situation of their country in the last couple of years. That gives all of us an idea of the magnitude of the challenge facing Viktor Orbán and his government. This challenge is foremost economic and social. Hungary is one of the Member States worst affected by the Financial and Economic Crisis. But it is also a moral challenge: a challenge to bring the central values of our political family to bear, even and especially in a difficult situation: freedom in responsibility, solidarity, subsidiarity and the protection of minorities.

And the same is true on the EU level: It is true for all of us in the crisis concerning the entire EU. As a result of the Crisis, we are now facing in most Member States sluggish growth, high unemployment and excessive levels of debt. So we have to be creative and at the same time be conscious of the values that define our political family.

“Re-inventing EU policies: Delivering Growth and Fighting Poverty” – that is this year's title for the EIN Summer University. I agree that this is the decisive challenge in the years to come. We have been extensively discussing the Euro crisis in recent months. But while debating the right institutional solutions for a stable Euro, we must not forget the most

important cause of our troubles : weak and uneven economic growth. Consequently, we cannot limit our creativity to further reforms of the EU institutions. We have to address the issue of sustainable growth.

Dear friends,

On an abstract level, we can all agree on what we need to make the Euro safe for the future:

- Better financial market regulation
- A coordination mechanism for bailout
- A stabilisation mechanism for sovereign debt crises
- As well as economic and fiscal supervision and coordination

But when we come to more concrete proposals on how to achieve these goals, we have no consensus yet. But let me assure you: A compromise will be found, because compromise is one of our strengths in the EU. On better regulation of financial markets, we have made good progress. In coordinating bailouts, we can learn from the experience of the spring of 2010. A stabilization mechanism for sovereign debt crises will be more difficult to achieve. And on coordinating national budgets and macroeconomic policies, we still have lots of problems to solve. The high level task force under President of the European Council, Herman Van Rompuy, is addressing this question, as we speak. I believe that within a few years, we should at least have:

- an early warning system which monitors national fiscal and economic developments, with at least a clear “naming and shaming” for trespassers of the criteria of the Stability Pact
- a “European Semester” in which national Parliaments discuss each others’ budgets
- a European Monetary Fund to facilitate

But all this should not make us forget the other great challenge: sustainable growth and fighting poverty. While a stable Euro is a precondition to this, there are many other important strategies and policy instruments we need. The EU 2020 strategy, as presented by Commission President Barroso, has put forward competitiveness, innovation, research and development and education as major factors. But let me give special emphasis here to the completion of the Single Market, as proposed by former Commissioner Monti in his report of May this year. Now it was a coincidence that this report was published a few days after the adoption of the Eurozone stabilization fund on May 7. But it is perfectly logical that in this situation, each of these events doesn’t make sense without the other. Our economic future rests on both pillars: Further success of Economic and Monetary Union, and a return to sustainable growth.

The Single Market of the European Union still offers potential for improvement. This concerns sectors in which formidable national barriers still exist, like services. And it concerns sectors that in the early 1990s didn’t even exist, like the digital economy. Some estimates say a “Single Digital Market” could add up to 4 percentage points to the EU’s GDP.

Last but not least, the Single Market is potentially under threat in the crisis: Protectionist temptations for national governments, strong in late 2008, may have subsided for the moment. But they may resurface. And for all these reasons, the Single Market should be completed and strengthened.

All this is now being widely debated across the European Union. But what makes the debate in our family special is that we base these discussions on our fundamental values.

We derive our idea of freedom and responsibility from the Christian image of Man. Our ideas of solidarity and subsidiarity are inspired by Catholic Social Teachings. We believe that these values are indispensable to finding the right solutions in the current crisis, to make the Euro safe for the future and return to sustainable growth.

Ladies and Gentlemen,

Precisely in this respect, let me pay tribute to our host country. This country Hungary has always combined modernity and tradition. It has been committed to progress while rooted in moral values.

Hungary has been at the forefront of invention and innovation for two centuries. From the first electric engine to the first underground transport system in Europe, from nuclear chain reaction to Rubik's Cube, Hungarian ingenuity has taken humankind forward.

But it has always been combined with an enormous moral strength. In October 1956 Hungarians heroically resisted Communist oppression. In June 1989 Hungarians quite literally opened the Iron Curtain, by simply cutting the wire, and thereby triggered the series of events that led to the Fall of the Berlin Wall and the peaceful emergence of a Europe Whole and Free.

It is this Hungarian combination of ingenuity and values that should serve as an example to this summer university, and in a wider sense to all of us in our political family, the EPP. In that spirit, we should strive to re-invent EU policies while sticking to our core values: here in the EIN, as well as in Brussels, in Strasbourg, and in the nations and regions of the European Union.

Thank you for your attention.