

'Only the Spoken Word Prevails'

EIN Summer University, Bucharest, Romania

Speech of President Wilfried Martens

Dear Presidents,

Dear Prime Ministers,

Dear Chairman of the Romanian Parliament,

Dear President of the Chamber of Representatives,

Dear Chairman of the EPP Group in the European Parliament, Joseph Daul,

Your Excellences,

Ladies and Gentlemen,

Dear Friends,

Thank you for inviting me to address you here today. It is always with great pleasure that I return to this Summer University and I am always inspired by the richness of the debates and quality of your ideas. I warmly congratulate you for reaching the 10th edition of an event which has proven its viability over time. I would also like to extend a particular word of thanks to our Romanian hosts tonight, to President Basescu, Prime Minister Boc and the PDL leadership.

Dear friends,

There have already been many occasions on which we said: Europe is at a crossroads. The word "crossroads" has been devalued by inflation, one might say. So I will not use it here. Instead, the much stronger term "turning point" is entirely justified: We need to go forward if we don't want to fall back. European integration has to be deepened if we don't want to risk its very achievements.

So we need to cope with the crisis the media have called “Euro crisis”.

Like many of my fellow EPP politicians, I would prefer to speak of a sovereign debt crisis. But whatever we call it I believe it has three dimensions:

One concerning institutions. One concerning growth. And one concerning values. Let me talk about these dimensions now.

The institutional one largely has to do with Economic and Monetary Union in the Eurozone. Here, I would like to start off with a simple truth: European Monetary Union is a success in many respects. I believe there is no harm in repeating that here. It has undoubtedly given a boost to internal trade and helped to curb inflation. Above all, it has become a visible symbol of the tremendous progress in European integration since the 1990s, and a magnet for the new Member States of the Union.

The architects of monetary union clearly understood that fiscal discipline was necessary to make the union viable. But the rule-based surveillance mechanism that was put in place lacked the strength to enforce the rules. Therefore, it failed repeatedly: From the 2003 Council decision to exonerate two big Member States after they violated the rules of the Stability Pact, to the profligacy of some small Member States, and the false fiscal data reported to the ECB. This is where the sovereign debt crisis in Europe has its origins: Many Eurozone countries entered the global financial and economic crisis with public debts and deficits that were too high. And even private liabilities turned into public debt.

That is why European economic governance in the Euro Plus Pact, together with the improved Stability and Growth Pact, is so important. These instruments, now agreed among the institutions of the European Union, are a good basis to give us the economic governance we need to pull the Union out of the crisis. But they are not sufficient. And it is up to our political family to develop them further.

Recently, an eminent academic of the University of Leuven and CEPS, Paul De Grauwe, outlined in his report ‘The Governance of a Fragile Eurozone’ that “The solution of the systemic problem of the Eurozone requires a far reaching

degree of political union. Economists have stressed that such a political union will be necessary to sustain the monetary union in the long run. It is clear, however, that there is resistance in Europe today to significantly increase the degree of political union. This unwillingness to go in the direction of more political union will continue to make the Eurozone a fragile construction.

This does not mean, however, that one should despair. We can move forward by taking urgent steps. Such a strategy of urgent steps not only allows us to solve the most immediate problems. It also signals the seriousness of the European policymakers in moving forward in the direction of more political union.”

Dear Friends,

These institutional solutions will come to nothing if the EU as a whole does not return to sustainable growth. Here, an ominous gap has opened up in the Eurozone: Some Member States, predominantly in the North, have found their way to dynamic growth and have reduced unemployment. Others, predominantly in the South, seem stuck in a vicious circle of recession or slow growth and rising unemployment. And in the tense atmosphere that the crisis has produced in our societies, the temptation of populism is emerging.

We have reached a precarious point. Ultimately, only economic success – and that means sustainable growth, with new jobs, will help us avoid more destructive tensions among and within our countries. That means that the great project of the Single Market has to be completed, and extended to new fields, such as the digital economy. It also means that our global competitiveness must be improved, across the whole European Union. Wealth has to be earned before it can be distributed: A simple truth that, I believe, our socialist competitors have never fully understood.

And there is a third element of our strategy, which is indispensable for success: Values. Without them, neither the institutional solutions, nor the policies for growth, will bear fruit. All policies to tackle the crisis must be based on them. Above all, these values are solidarity, subsidiarity and sustainability. They are important not only in this crisis. They make up the core of the Social Market Economy in general.

Solidarity and responsibility means very simply that, especially in a Union as interdependent as the European Union, no one is isolated. The failure of one is the failure of all. But solidarity works both ways: While the stronger and richer ones have to help those who are weak at the moment, the weak ones have to make all efforts to get back to dynamic growth. I believe that solidarity, understood in this way, is not only necessary but also achievable.

Subsidiarity means that the state (or, in this case, the European Union) should not do what citizens, enterprises and civil society can do best on their own. Smart economic governance must not become interventionist economic government. We must not sacrifice our diversity and creativity to centralisation. It is of utmost importance to always take this principle into account in the on-going debate about the right instruments to be used. Especially Small and Medium Enterprises – these powerhouses of recovery – have to be freed from the burden of over-regulation.

Sustainability refers to the viability of our economies over time. For that, markets have to be better regulated, and thus made safe for the future.

I am deeply convinced that by emphasising these three central values: solidarity, subsidiarity and sustainability – we will be able to master this crisis and work for a more secure and prosperous European Union. Our political family, should play the leading role in this process. And we should be frank and open about it to the European public. We know there are no simple solutions to complicated problems. But we have to take the apprehensions and aspirations of our people seriously. We have to explain and to listen with the same intensity. That is not populism, as some of our competitors are claiming. That is common sense.

Dear friends,

I am very glad that the programme of this conference reflects those urgent priorities for the EU. I am also happy that it addresses some topics of particular importance to the region we are in: the Black Sea Region and energy security. I believe new Member States have a lot of valuable knowledge to share with older Members when dealing with enlargement of the Union and the neighbourhood policy.

Speaking about the Black Sea Region: I was in Ukraine last week. The most positive result to come out of the trip was the conference with civil society, especially with church leaders. I am very convinced of the European choice of Ukraine. But there are also problems and I am very concerned by the developments there in terms of human rights, the rule of law and the independence of the judiciary, as well as holding free and fair elections. For months and months, I refused to meet with President Yanukovich and other members of his government. But now, during my last trip, I had to do it to help Julia and the other members of the opposition. I was the first one, together with Senator John McCain to issue a statement about the selective prosecution of members of the opposition in Ukraine on 7th March 2011. When I spoke with him I referred to the statement made by Alain Juppé, Foreign Minister of France, in Sopot, Poland after the informal Council meeting of the Ministers of Foreign Affairs. The majority view is that the agreement can only be finalised if the Tymoshenko case is solved. I would also like to refer here to the strong letter sent by High Representative of the European Union for Foreign Affairs and Security Policy Catherine Ashton and U.S. Secretary of State Hillary Clinton to President Yanukovich reiterating these same concerns. I quote

“A singular achievement of the Ukrainian people over the twenty years of independence has been to make your nation a leading democracy in the region. Against the backdrop, the selective arrest and prosecution of former Prime Minister Tymoshenko, which frankly appear politically motivated, and the conduct of her trial underscore the weakness of the Rule of Law in Ukraine.

The European Union and the United States fully support your goal of a strong, democratic, and prosperous independent European State. Ukraine, however,

cannot reach this goal without redoubled efforts to meet international standards and its own commitments for democracy and the Rule of Law. The United States and Europe remain committed to helping Ukraine in these endeavours; we want to strengthen our cooperation across a broad spectrum of mutual priorities based on shared values and shared interests. In that spirit, we encourage you to take all steps within your and the government's constitutional powers to address our concerns about these politically motivated trials, which are undermining your reform efforts at home and your reputation abroad."

Furthermore, the law being utilised to prosecute Tymoshenko is an article from the Criminal Code dated from 1962 legislation, which was itself an amendment of a law from the Stalin period. Tymoshenko is being prosecuted for a political decision I told President Yanukovich that if Prime Ministers are prosecuted for political decisions, I would be in jail myself. I explained to him that it is up to the people to judge on political decisions in the elections. It is not up to a judge to do so. Moreover, they did not find a senior judge to do the trial; they only found a stagiaire.

Dear Friends,

Of course, there are also more positive examples in the Eastern Neighborhood. And Moldova is certainly the country which has fulfilled our expectations most, although further progress is necessary there, too.

I am very happy to have the Armenian Prime Minister here too, his government is applying all the recommendations of the Venice Commission to change the laws of the country to come closer to European standards. Furthermore, four parties from Armenia have applied for membership to the EPP and as President I have invited them to our next Political Assembly and I hope we can continue with the progress of their applications thereafter.

I also want to say something about another Prime Minister who is also sat at the table. He is my successor, Prime Minister of Belgium, Yves Leterme. Although he has been Prime Minister of a caretaker government for more than

1 ½ years, the way in which Yves Leterme has managed to guide our country through the difficult economic and financial situation, and solve a banking crisis, has been remarkable.

To conclude, let me mention our hosts, President Basescu, Prime Minister Boc and his government who, despite fierce opposition, have taken brave measures to make Romania less vulnerable to potential crises in the future. Sometimes this is hard, and it may also be unpopular in the short run. But we need to do it and think more than just about the next election. You did not step back from taking these measures, when they were the only solution, like reducing wages for a determined period of time. As former Prime Minister I know how difficult such a decision is.

Because of all this, for the EPP, PDL and the Hungarian Coalition partner UDMR are trustworthy partners at European level. As EPP parties, it is important that they stay united to continue to fight for our values.

As for your European engagement, even though you are not yet a Member of the Eurozone, you expressed willingness to participate in the EuroPlus Pact and I gladly see you are in favour of deepened integration. Because of all this, for the EPP, PDL is a trustworthy partner at European level.

I look forward to fruitful discussions and thank you for your attention!