



## PHILIPPE LEGRAIN'S KEYNOTE SPEECH

*In the EU We (Mis)Trust:*

*on the road to the European elections*

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The EU was in trouble even before the financial crash:  
remember the No votes in 2005.

And now the economic crisis has created a full-blown political  
crisis that is tearing Europe apart.

Many people have lost faith in politicians, EU technocrats and  
elites in general.

They seem to be in it for themselves or in the pockets of  
powerful vested interests.

And they seem incapable of solving Europe's problems, let  
alone setting out a compelling vision of a brighter future.

Social tensions within countries are multiplying, as are  
political frictions between them.

Understandable anger at the injustice of bailouts for rich bankers and budget cuts for poor schoolchildren overlaps with a despicable scapegoating of immigrants.

Scots will vote on whether to split from Britain in September, Catalans from Spain in November.

Greeks and Germans are at each other's throats.

The project that binds Europeans together – the European Union – has never been more unpopular; Britain may even vote to leave.

The EU's crowning achievement, the euro, is increasingly seen as a sadomasochistic straitjacket.

This anti-establishment, anti-foreigner, anti-EU mood is fertile ground for extremists and charlatans.

Many are even losing faith in democracy itself.

In next month's European elections, the far-left may come first in Greece, an anti-establishment movement headed by a clown may top the poll in Italy, and xenophobic and reactionary parties like Britain's UKIP, France's Front National and Geert Wilders' PVV look set to do exceptionally well.

Yet immigrants are not to blame for Europe's problems.

And the solutions that people like Wilders propose – slam the door on the world, stamp on difference, turn the clock back – are false.

But their success is symptomatic of a genuine sickness.

Europe's stagnant economies are strangled by vested interests that stifle opportunity and steal the value created by others.

An overwhelming majority of Europeans think their children will have a worse life than they do.

EU institutions have become instruments for creditors to impose their will on debtors.

Democracy is lacking at a European level and ailing at a national one.

Our open societies – post-war Europe's most wonderful achievement – are at risk.

Europe desperately needs to change.

It needs hope, a politics of genuine optimism, a prospectus for a better future.

We need a European Spring: economic and political renewal.

I've been asked to choose one of the five strategic options in the New Pact for Europe report.

I strongly disagree with option 1 – we shouldn't unravel what's been achieved – as well as with option 2, because the system *is* broken and we need to fix it.

While I have some sympathy with option 4, making a big leap forward towards a closer union, I think the crisis has eroded what little popular support there was for such a move.

I'm also sympathetic to option 5, the need for a fundamental rethink, together with option 3: moving ahead ambitiously, although I strongly disagree with some of the specific proposals under this rubric.

For example, I think it would be a terrible idea to have an EU budget Tsar who could veto national budgets: decisions about tax and spending are at the heart of our democracies; they cannot be delegated to a remote, unelected and unaccountable official in Brussels.

What we do need are a genuine banking union that ensures banks are no longer bailed out by taxpayers;

a restoration of national governments' budget freedoms, with governments that borrow too much allowed to default; and ideally a eurozone budget to help stabilise economies.

The eurozone needs to work for all its citizens.

But we need to do much more than just tinker with the eurozone's institutions, Europe's economies and politics need radical reform.

We need to start by tackling the root causes of the ongoing economic crisis by restructuring the banks that got us into this mess and writing down excessive debts, both public and private.

We also need to revitalise Europe's economies:

Invest more in the future.

Stop grinding down wages in a self-defeating pursuit of competitiveness and instead boost productivity so we can pay people more.

Open up the labour market so young people and other outsiders have a chance to get ahead.

Break the stranglehold that some companies, big and small, have over cartelised markets.

Welcome young migrants who can help care – and pay for – the old, and also stimulate new ideas and businesses.

Capitalise on Europe's biggest resource: the creative diversity of its people and unleash their entrepreneurial spirits.

Make the tax system fairer: tax bad things like carbon emissions instead of good things like hard work.

We need economies that are Adaptable, Dynamic and Decent: economies that ADD UP and provide sustained rises in living standards that are widely shared.

Our politics needs to change too.

People no longer trust the competence, motives and honesty of politicians in general.

The era of closed-list, mass-membership parties based on class belongs to a bygone industrial age.

We need a different politics in the internet age.

A more open politics: more open to new and different views, more open in how candidates are selected, more open about the funding of political parties, more open about lobbying, no more cash for favours.

A politics that engages with people in different ways, not least through the internet.

We should also experiment with new forms of democracy.

Direct democracy, like citizens' initiatives, as well as deliberative democracy that engages citizens in informed decision-making through the 21st century equivalent of town-hall meetings.

We also need a more open, accountable and democratic European Union with genuine political choice.

Is it any wonder that only 36% of Dutch people bothered to vote in the last European elections, when the big political

groupings carve up the top jobs in the European Parliament and it had no say in selecting the Commission President?

Europeans need a bigger say over what direction the EU takes – and the right to change course.

That requires an open democratic contest over who should exercise power and competing manifestos for change.

And it requires proper accountability for decisions that are taken, not just to the European Parliament but also to national parliaments and to voters in general.

Because if people feel they have little say in shaping what the EU does and are told that in any case there is no alternative to current policies, it's not surprising that they increasingly reject the EU.

Anyone who genuinely wants Europe to succeed ought to realise that change is essential.

We need a genuine political debate about where the EU should be going.

If mainstream political parties and EU institutions refuse to have this debate about Europe's future in the open, it will not disappear – it will simply happen elsewhere.

That will strengthen the voices of people like Le Pen and Wilders, while frustrating those who want a reasonable alternative but have nowhere else to turn.

So in this European election campaign and beyond, through the internet and face to face, we need to mobilise a broad-based movement for change.

Dare to dream of a different, more decent and dynamic Europe.

A Europe set free from dead-end ideologies, liberated from the clasps of vested interests, supported by strong and broad-based institutions.

A Europe truly “united in diversity” – where everyone can be different, equal and belong.

And then demand change.

Banks can be broken up.

Debts can be defaulted on.

Entrepreneurs can be emancipated.

Every child in Europe can get a better start in life.

The EU can be opened up and made more democratic.

The suffering is terrible, the injustice shocking.

But the prevailing pessimism is corrosive.

Europe has bounced back from far worse than this before.



With bold reforms and a broad movement for change, a better future is possible.

A Europe that is open to the world, open to everyone in society, and open to the future and all its possibilities for progress.

We desperately need a European Spring.