

Thessaloniki speech
University of Macedonia
Wed 08 May 2019

Tomorrow is Europe Day. We celebrate 69 years of structured co-operation among European democracies based on the 1950 Schumann declaration.

In today's terms, 69 years old is not a great age. But the EU is lucky still to be alive. The financial crisis of a decade ago and a hurried eastward expansion have created tensions which have threatened its survival.

I had the honour of serving in the EP in its 4th, 5th, 6th and 7th legislatures. I served on the EMAC as we prepared for the introduction of the euro. I was Chairman of the Justice and Home Affairs committee when the Amsterdam Treaty came into force, giving the EU an important role in those areas of policy. I led parliament's Liberal group for seven and a half years, longer than any of my predecessors.

I participated in the 2004 and 2007 enlargements and watched with foreboding the development of the 2007-2008 financial crisis.

It was a crisis which was predicted and could have been avoided. I recall a letter to the EU's HOSG, written in 2008, by luminaries such as Otto Graf Lambsdorff and Jacques Delors, warning of what was about to hit us. [PLUG BOOK]

The British newspapers told their readers that the world was saved by UK Prime Minister Gordon Brown and the US Federal Reserve. I know that the most important role (this side of the Atlantic, at least) was played by JC Trichet, the Governor of the ECB. He had pockets deep enough to inject billions of euros into the markets every night for the crucial three weeks to see off the speculators. In a Europe of 25 member states, each with its own currency and central bank, some countries would certainly have collapsed.

Here in Greece you know better than most that the EU is still recovering: the illness is over, but the side effects of the treatment are still being felt.

I do not need to say more about the financial crisis in the country which ten years ago suffered the longest recession of any advanced capitalist economy to date. I read of the impact it had on your political system, on social exclusion,

on emigration. My friend and former colleague Olli Rehn had to deal with it daily.

Alexis Tsipras was, in a sense, its beneficiary. But even he soon learned the truth of Genghis Khan's dictum 'It is easy to conquer the world on horseback. It is much harder to climb down from the saddle and govern.'

And yet, after €100 bn of debt relief, 12 rounds of tax increases in six years, and spending cuts which triggered local riots and nationwide protests, the rise in your government debt was limited to 6% and investor confidence returned. Your economy is growing again.

In the UK, last year, we had our worst economic performance since the financial crisis. Brexit has cost us 2% in economic growth, or £40 bn a year. It has led to massive disinvestment from the automobile industry, the relocation of parts of our banking system and the loss of the European headquarters of companies like Sony and Panasonic. And it hasn't even happened yet.

Making predictions in politics is a dangerous gamble. I was one of very few to predict in June 2015 that David Cameron would lose the referendum he announced. And I have predicted ever since June of 2016 that despite the referendum, Brexit will never happen.

Brexit will not happen because it is simply too stupid. It is not just the impact on peace in Northern Ireland, as valuable as that has been. If Brexit goes ahead, Northern Ireland will leave the UK and reunite with its southern neighbour. Scotland will sue successfully for independence, and remain in (or return to) the EU. The United Kingdom itself will disintegrate. And, for the English, the only UK nation which voted for Brexit, the economic impact will be disastrous.

And all because a governing party in the grip of nationalism interprets an advisory referendum with a derisory majority - after a campaign marred by criminal electoral practices - as 'the will of the people' which must be obeyed.

As JCJ remarked yesterday: We all understand English, but nobody understands England.

Other troubles : Hungary, Poland, Slovakia

One need not look only to Greece or the UK, the countries the EU nearly lost, to find signs of serious trouble. In Poland, two days ago, an artist and civil society activist was arrested for an artistic interpretation of the Virgin Mary. In Budapest, billboards from the airport depict the face of 'Soros the Jew' as a public enemy, and the university he founded remains closed. In Slovakia and in Malta, the murder of investigative journalists cast a stain on society.

We fail to give full rights to citizenship to Russian speakers in the Baltic countries or people of Turkish origin in the Balkans. Here on the Via Egnatia you will understand the importance of proposing that Russian and Turkish be adopted as official languages of the EU, making it easier to improve relations with the countries in which those languages are most widely spoken.

In Romania and Bulgaria, progress in the fight against corruption is faltering.

In Iberia, Castilian intolerance inhibits the flowering of identity on which unity in diversity depends.

EU quinquennial reformation - Fundamental reform needed

Jean Claude Juncker's job was to put the show back on the road. Has he succeeded? He would say so. In his last speech to the EP and in the 'helpful advice' his Commission is leaving to its successor about what needs to be done next, he is trying to establish a legacy.

It is all very poetic. The rather more prosaic reality is a mixed picture.

Certainly, we have seen consolidation of the public finances and further necessary banking reform. We've heard *talk* of greater social cohesion even if we've seen little real progress. We've witnessed the EU using its consumer power effectively to tame American digital multinationals.

On the negative side of the ledger, immigration controls have sprung up at frontiers all over the place. Particularly in France, despite the image Emmanuel Macron wishes to project of himself as a great European. We've failed to develop a foreign policy capable of dealing with American dementia and Chinese testosterone, and we've not been much more successful in handling the threat from Russia on our own doorstep. And we are ill prepared to enter a discussion on a new Multi-Annual Financial Framework, which will be tough, because we have run down our reserves of solidarity.

The next European Parliament and the next Commission will have to deal with a world which has become a more dangerous place. On the basis of a EU society which has become older, lazier and more resistant to change.

Remember the biologist Charles Darwin. 'It is not the strongest of the species which survives', he observed: 'nor even necessarily the most intelligent. It is those who are most adaptable to change.'

Parliament, in its ninth legislature, will be more divided: the two big political groups are unlikely to command a majority between them and may need a four party coalition to govern. The number of populist and in some cases extremist MEPs will be higher. If they succeed in uniting in one political group they will be the second largest. Fortunately it seems probable that they will divide into two or three groups and thereby dilute their influence.

There may be a clash between Council and Parliament over who is to be President of the Commission. There is already disagreement over the idea of *spitzenkandidaten*. And even when agreement is reached on the top Commission job we can expect a number of fights over the individuals nominated to the Commission. In the past, even with Berlusconi's nomination of Rocco Buttiglione, this fight has been little more than the manufactured fury of party political controversy. This time there could be a real clash of values.

And within the Council itself there is little to suggest that Germany is willing to bend to France on policy issues where Paris and Berlin disagree. So the atmosphere within the European Council could deteriorate. Donald Tusk's successor may have a tougher job.

From the institutional perspective, the fundamental reform the EU could benefit from seems as distant as ever.

So things don't look good.

Hope

And yet. And yet.

As former Council President Herman Van Rompuy said, 'it is sometimes at difficult moments like this that the invisible and often underestimated forces which hold our Union together come to light'.

Europe has a new generation of younger leaders for whom the EU is a given. They have known nothing else. Rather than having to build Europe, they have simply to re-design it to fit current needs. There is a better gender balance of impressively polyglot politicians, better synchronised with the needs of a digital society. Television, low cost air travel and social media have brought Europeans together.

True, these are the people who a British political scientist has called the 'citizens of anywhere'; and they will learn that they cannot prevail unless they are able to take with them the 'citizens of somewhere'.

But equally they suffer less from the challenge lamented in the memoirs of Francois Mitterand, that 'every time you try to move a country forward, history grabs you by the ankles'. Because their country is Europe.

We are already forging in the smithy of our souls the conscience of a continent.

And despite the temptation of a return to nationalism, the twitching of the tail of a dying dinosaur, the idea of European union remains the most powerful political idea to emerge on our continent in the last 75 years.

Will the new generation be capable of overcoming the drag of national sovereignty and building a supranational sovereignty to tackle the supranational challenges we face, such as world population growth and migration, internationally organised crime and terrorism, climate change and energy security?

John Locke reminds us that true sovereignty is reflected not in the power of making laws – as a legal definition would have it – but in the ability to control outcomes and respond to the fundamental needs of the people: their peace, safety, and public good.

The great British Liberal William Beveridge said that if you scratch the skin of a Conservative, you find a pessimist underneath. If you scratch the skin of a Liberal, you find an optimist. I remain an incurable optimist.

Thank you!