

**'Lithuania in the Driving Seat of European Integration:
A Fresh Look at Europe!'**

SPEECH

by

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Seul le texte prononcé fait foi
Check Against Delivery

Your Excellencies
Ladies and Gentlemen,
Dear friends and colleagues,

Sveiki atvykę!

I hope that I have made myself understood in my bad Lithuanian! For it is a great pleasure for myself and all members of the Various Interests Group of the European Economic and Social Committee to be here with you today in Vilnius, during this very first Lithuanian Presidency of the Council of the EU. Indeed this is the first Presidency by a Baltic country and the first Presidency for a European Union of now *28 Member States*. But it will also be the *last full* Presidency with the current European Parliament and as a consequence, a great deal needs to be completed during your mandate. And I would like to publicly pay tribute to the Lithuanian authorities for taking on with such determination and skill this very difficult role. It is a task which is already challenging for the larger European countries with their considerable resources, so I most definitely commend the work of the Lithuanian authorities and of its staff.

It is largely for these reasons that we decided to name this conference 'Lithuania in the Driving Seat of European Integration: a fresh look at Europe!'. Of course, Lithuania is by no means a 'new' European country – in the 15th century the Lithuanian Grand Duchy extended across large parts of Europe. But your history has been turbulent and the quest for autonomy has been dearly fought through the generations. The Tsarist and Soviet regimes and occupying forces have only reinforced your sense of identity, your pride in your culture and language, your determination to survive as an independent political entity. With the baptism of the Samogitians in 1413, Lithuania became the last European country to join the Christian family. In 2004 Lithuania chose to re-join' the 'European family'. I use these words very purposefully. Now at the helm of the EU, there is no doubt that, as stated by your Foreign Minister in June: "*Lithuania is a fresh breeze, an innovative and vital voice in the EU family*". So welcome back!

But perhaps before going further, I should briefly explain who we, the organisers of this conference and members of the European Economic and Social Committee actually are. As a consultative body which brings together representatives of European Employers, Trade Unions and wider civil society, we are often described as a 'bridge' between European policy-makers and organised civil society, between the European institutions and its citizens. Specifically, at the Various Interests Group of the EESC we have members who represent European consumers, farmers, small businesses, the crafts sector, the professions, the social economy, environmental organisations, persons with disabilities, the voluntary sector, to name but a few. And in its consultative capacity the EESC adopts Opinions and reports on draft European policies and legislation.

The priority for all of us now is for *effective cooperation* to overcome Europe's challenges, including the devastating reality of more than 26 million unemployed persons, many of whom are young. Unfortunately, the crisis has rapidly deteriorated and moved far beyond purely financial or economic considerations. We are now dealing with *deepening* social and income inequalities, even poverty in austerity hit countries. The crisis has worsened environmental degradation, energy poverty and

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demographic challenges. During the last three years in some European countries there has been a *severe* strain on the economic and social fabric. Indeed, there are now some 84 million people in EU countries which are living below the poverty line (defined as those earning less than 60% of the national average income). As a result, in some austerity-hit countries we have witnessed increasing political extremism, demagoguery and prejudice. There is now also a perceived division between the 'Northern' European creditor countries and the 'Southern' debtor countries. Most worryingly, among citizens who will vote in the European elections next May, we are witnessing anger, or at best apathy and ignorance regarding the EU. According to a recent Eurobarometer study, only 31% of European citizens 'trust' the EU, whilst 60% simply do not. I am pleased that Lithuania is the exception, as 80% of Lithuanian respondents consider that EU membership brings benefits.

So clearly, the EU finds itself at a historical turning point which requires fundamental structural changes. If Europe is to fulfil its ambitions and potential then it is necessary to invest in a united and politically stable continent, one which is ambitious, determined, mutually reinforcing and stronger than the sum of its individual parts. It also has to be a Europe which is able to communicate better with its citizens. And all of this involves concrete actions and progress, notably in the next few months leading up to the elections to the European Parliament.

But how should we move forward, how do we build a sustainable Europe of citizens for tomorrow? And what role can civil society play in this process? Let me begin by saying that I personally very much welcome the motto of the Lithuanian Presidency of the Council of the EU for a 'credible', 'growing' and 'open' Europe. These three visions are complementary and centred on the benefits of EU membership to European citizens. And it is up to Lithuania, this economically performant country which is now at the helm of the EU, to share the experiences of its own difficult economic reforms. For if today, Lithuania is ranked 3rd for its growth levels, alongside Finland, the UK and Germany, we have to remember the courageous reforms in the 1990s and the more recent ones in the last four years. For in 2009, the Lithuanian GDP had shrunk by more than 22% and yet today, it is *above* the EU average. So Lithuania has important lessons to teach its European neighbours.

The lesson that all of us should learn is that in the next few months we need to fast track legislation and measures which will stimulate growth, inclusiveness, competitiveness, the real economy, SMEs, access to credit and employment creation, notably for our youth. As stated by the President of the European Commission, Mr Barroso, during his recent State of the Union speech "*The current levels of EU unemployment are economically unsustainable, politically untenable and socially unacceptable*". A first step to remedying the situation would be to increase the scope and available funds for the European Youth Guarantee Scheme. But we also need to invest in social capital and social innovation, by directly involve a multitude of civil society actors in Europe's recovery, including SMEs, the liberal professions, the green economy, the Social Economy, etc.

A second step is to urgently progress towards establishing the banking union and for the European Central Bank to begin supervising all European banks, including Regional banks, in the Autumn of 2014. Similarly, the rapid introduction of the Single Resolution Mechanism is imperative.

Thirdly, we must complete the Internal Market, implement the Europe 2020 Strategy and the Compact for Growth and Jobs. Priority should be placed on taking advantage of the single most important benefit of European integration, namely: the free movement of goods, services and people. And this implies investing in re-industrialising Europe, in innovation, research and development. Once again, we can learn from Lithuania, which I understand has become a leader in biotechnology, in lasers and electronics and medical devices.

Lastly, we must ensure that the EU's multiannual budget is actually available from January 2014. This will be a very challenging task for the Lithuanian Presidency, as some 75 to 80 pieces of legislation will need to be steered through adoption by the end of this year. Crucially, in future legislation and policies it will be necessary to pursue *equitable* approaches to Europe's recovery, by addressing the social consequences of Economic and Monetary Union and protecting consumer rights. As some of you will know, the meeting of the European Council which begins tomorrow will examine the recent proposals of the European Commission for a social dimension of EMU. Unfortunately, I am not very hopeful. For yes, there is agreement on the inclusion of social indicators alongside macroeconomic and fiscal indicators to measure the performance of Member States under the European Semester. But there is outright opposition by some key Member States, to the introduction of a system of automatic support to the social security systems of crisis-hit countries. One does wonder what would be the point of simply monitoring the negative impact of austerity measures through social indicators. A barometer is not enough. We also need an efficient system to *support* the social development of the EU.

So we must find ways to introduce *holistic* solutions to Europe's financial and economic crisis. Yes, the fiscal, banking and financial unions are necessary pillars of Economic and Monetary Union. But they *must* be complemented by growth and equity promoting measures, by a social compact, by employment creation, inter-generational solidarity, poverty reduction, the sustainable and efficient use of resources, territorial and social cohesion. And I would like to take this opportunity to stress that the EU must develop a new European Social Action Programme which would set clear tangible targets, updating the targets of the Europe 2020 Strategy and exploring the right of European citizens to a minimum guaranteed income. We need more socially responsible investment, for example, through the establishment of European Social Bonds, to be sponsored by individual citizens, businesses, trade unions and wider civil society. And if we want to give unemployed persons a chance of re-training and inclusive participation in society, then we should introduce a European Education Network for Unemployed Workers, which would offer unemployed persons the opportunity of a two-year educational programme and cross-border education vouchers.

This takes me to the final point of my presentation this morning, which relates to the importance of the EU's political legitimacy, its democratic accountability and the trust of citizens in the EU. There is no doubt that in the months leading up to the European elections all political parties must engage in an honest and informative debate with their electorate on the *solutions* that the EU has already brought to the European, national and local levels. Citizens must be informed that 'Europe' can offer more than austerity and that there is a real 'cost' to a Europe *without* the EU. This message seems to have reached Lithuanian citizens and authorities. Indeed, Lithuania, which has adopted regional cooperation and energy security as key topics of its Presidency, is taking full advantage of the fact that for a small

country, sensitive topics such as these can only be dealt with by being part of a larger 'club' such as the EU.

Ladies and gentlemen, before ending my presentation I would like to recall to all of us that in a few months Europe will commemorate the centenary of the First World War, the war which was meant to 'end all wars'. As we all know, the events of 1914 to 18 were simply a precursor to a second equally horrifying chapter in human history. But these events 'gave birth' to the European project which strove to make war *amongst its members* materially impossible. It succeeded. And this is something that we need to remember at the bottom of our hearts. For despite all the difficulties currently facing our continent, we must be grateful and look optimistically towards the future. Lithuania, I am pleased to see, is doing exactly this and aims to join the Eurozone in 2015. So let all of us enjoy your 'gentle breeze' and 'fresh look' at Europe!

Thank you for your attention.