

Maria Damanaki

Member of the European Commission

Responsible for Maritime Affairs and Fisheries

Speech at the Council of the Party of European Socialists

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Council of the Party of European Socialists

Warsaw, 2 December 2010

Ladies and Gentlemen,

The economic crisis is persisting. Despite some initial optimistic forecasts it now appears to have depth and duration. Every week we are discovering a new threat, every month another piece of our system is attacked. This is a major event of historic proportions. This is now a systemic European crisis. Is not only threatening the European economies; it is threatening the future of the European integration.

We Socialists have a special duty to react. The crisis is hurting the foundations upon which we started building our progressive model for Europe. It is hurting our political premise, our message of hope and our credibility.

And yet, everything seemed to work fine for many decades; since the end of the Second World War, we experienced a period of construction and hope. And then, it took only the last ten years for the whole establishment to be destabilised totally. Not only in economic terms but in general. The components of the political proposal degenerated rapidly in the hands of conservative and neo-liberal governments.

- We witnessed the dilapidation of the welfare state under the weigh of inadequate management and poor financing; and we saw the end of the equitable society, where the rich became richer and the poor, poorer.
- The internationalist ideal was replaced by an unsafe world full of terrorism, xenophobia and escalation of conflicts; and by a blind free-trade agenda that benefitted only the few.
- Our green growth agenda has been compromised; GMOs, nanomaterials and cloning are putting pressure on public health; the African continent is starving; and our innovation capability is being depleted from brain drain and short-term earnings considerations.

Ladies and gentlemen,

We have to seek again for the Socialist project. How are we going to do it? The need for political decision is obvious. POLITICS had taken the backstage because of speedy technological and economic development over the last twenty years. It is now back in the spotlight and needs to deliver solutions. If it does not deliver, we will have no future as collective and social entities. The consequences of this will be dramatic, even for those who still feel today that they are safe and superior.

So, first we need to introduce social justice to the stabilisation process and the necessary restructuring, that our economy is going through, right now. Is fiscal consolidation the right and only path to go for all countries? I don't think so.

Fiscal consolidation has to be pursued where it is necessary. For instance, in countries, like the one I know best, where for years the previous governments have acted recklessly and managed to accumulate colossal deficits. Or, in countries where ultra-liberal policies removed regulations and supervisions and exposed their citizens to false hopes and to careless risks. But, I wonder, is fiscal consolidation the right recipe for countries that are accumulating budget surpluses, if only to improve their competitiveness? This is not solidarity. This is **"everyman for himself"**. This is the dominance of national interest, of national "ego".

We know that this strategy of some powerful European member states will not save us from the storm. On the contrary, they can cause the wreck of not only one ship,

but of the whole fleet. (And this includes small boats as much as mother ships). Are these leaders going to insist taking that risk?

Consolidation should be more balanced. It is not a sufficient answer if it's not coupled with economic growth. And it is a distortive answer if it leads to social degradation.

I am afraid that **the conservative leaderships are using this logic - the "budget cuts" logic** - as the only privileged tool to get out of the crisis. We have to deny this logic. But we also have to realize that we **cannot solve the problems of today by reverting back**, to past attitudes, and nostalgic illusions of rebuilding the old world of welfare. This is impossible. This old world was connected with national borders that do not exist anymore. The world is totally different.

The European Union has to find its way in today's world. The socialists, we have to answer the problems of today and come forward with concrete proposals not only about spending but also about debts and deficits. So let's think of **innovative ways of financing**. Let's argue convincingly and openly the merits of bank levies, financial transaction taxes and Eurobonds. Let's be fair but tough, when bailing out the banking sector, because the moral hazard has hurt the feelings of the citizens. If we do all this, then we will have credibility to propose the ideas to reduce the huge revenue differentials that have accumulated overtime.

Ladies and gentlemen,

We have also to answer some political dilemmas. **We have to say no to Europe of limited responsibility.** We need more Europe, not less Europe, nor a Europe that is split. So a clear political agreement between Member States is needed. On the confidence that without the transfer of parts of national sovereignty to the European institutions we cannot go any further (Revision of the Treaty of Lisbon?)

We also need an open enlargement policy. Regardless of conclusions and concerns about the size, methods and problems that may have risen from past enlargements, today we have no other option. For Europe to remain a big power, it needs to be open. We have to discuss our relation to Turkey and Russia. Staying entrenched in the status quo will only benefit our competitors.

So, first we need to act at home, before we embark on an effort to regain our global credibility. Yet, it is crucial that we manage to stand on our feet again in the international scene. We have so much to offer to the world: our commitment to multilateralism and peaceful settlement, our respect of human and minority rights, our pathway to sustainable growth, our conviction for ethical free-trade, and so many more ideas for small but important things that really matter to the people.

We Socialists are **at the quest of a new premise.** We have to seize the opportunity to draw up our new agenda the soonest.

More Europe, open Europe, better economic governance, genuine solidarity.

Consolidation among us 27 countries and reach-out to our neighbours and partners.

And, an ambitious single voice that aspires to shape a better future for the world.