

It is a great pleasure for me to be here with you this afternoon in such distinguished company to mark the thirtieth anniversary of the ELDR Stuttgart Declaration, happy birthday! This is especially so as an Irish European on St. Patrick's Day, our national day. It also affords me the opportunity to thank the ELDR and our many members who are active in the European Movement for your support in my election last December to the post of President of the International European Movement.

When elected I stressed the need for clarity in our vision, courage in our convictions, campaigning through our organisation and capacity building, the better to prevail in future. I am deeply encouraged by the positive and supportive response. We in the European Movement accept the need to prepare concrete initiatives. We have opted for the promotion of a citizen's initiative in partnership with member and associate organisations and with all others who are willing to participate. I would appeal here today for the active support and engagement of the European political parties and especially of the ELDR. We need your goodwill but also will ask for your personal effort in this common endeavour. I want through the European Movement to establish that the idea of Europe and its ideals which are worth believing in also are worth fighting and campaigning for.

Permit me, however, here today to speak as a fellow Liberal.

In the period since the Stuttgart Declaration was adopted the great paradox is how successful European integration has been and yet how much it struggles to lay claim to popular support. As recently as eighteen months ago the Constitutional Treaty was signed by the 25 member states in Rome, still then yet to be ratified. The mood was relatively upbeat. The Union's most ambitious enlargement had just been achieved bringing Europeans, Eastern and Western, together again and allowing all of us to move on from the Cold War towards our new shared horizon for the 21st century. The prospect presented itself for the first time in a generation to advance from endless introspection and design to focusing on delivery of contemporary goals and challenges.

That picture has changed dramatically in the intervening months. One can feel it in the atmosphere in politics, in the media, in public discourse, even in the corridors of power inside the EU itself. It is a trend which I find disturbing. The twin torpedoes of the French and Dutch referendum defeats not only rocked their respective political establishments but the ripple effects have spread to a wider public and political mood across the Union that, unchecked, could put at risk through a new populism and neo-protectionism the very achievements that are our inheritance from the past several decades.

Through a limited pooling of our national sovereignties we have fashioned a unique and unprecedented instrument and capacity to promote our interests and our values and have become a truly global actor. Our willingness to be open to like minded European States, a key element of the Stuttgart Declaration, through the enlargement process, has illustrated the transformative power of European integration. Enlargement is a proof of the enduring dynamism of the idea and ideals of Europe.

Our population base, while ageing, nonetheless represents a number larger than the USA and Russia combined. We have established the single currency, now an important reserve currency internationally. We are collectively the world's largest trader with a 20% share of global trade and an equivalent share of global GDP at Purchasing Power Parity, with an even larger share at current exchange rates.

We constitute the largest donor community of untied, non-military aid in the world accounting for 55% of Official Development Assistance and are the largest donor of humanitarian food aid globally. We are committed to double our efforts by 2010.

We are active leaders of the fight to address the challenges of global warming and climate change not least through the Kyoto Process which would not exist without European determination and leadership.

We are strong believers in effective multilateralism preferring the civil resolution of international crises but through rapid reaction forces willing to play a full role in peace keeping and peace enforcing.

We were central to the establishment of the International Criminal Court as an extension of the concept of the rule of law in which we believe.

By any standards this is an impressive record of achievement and yet the paradox to which I referred of failing to achieve widespread popular support remains. Indeed it deepens when one considers that today those in search of freedom and stability on the outside of the European Union or those just recently joined accept, understand and embrace the EU vision more warmly than those citizens whose states fashioned it from the beginning.

As regards public opinion, in the older states of the Union the European experiment has become so embedded in the past 50 years I believe that it is in danger of becoming for many a victim of its own success. Peace, for generations so elusive, is now taken for granted. What for our grandparents was reality for our generation is history. Our comfort zone has extended psychologically and geographically with the disappearance of the Iron Curtain and the common external threat of the Soviet Union. The passage of time and of older generations has dimmed collective memory of Europe's earlier dreadful alternatives.

Brussels bashing by many national opinion leaders has sown the seeds of the harvest of discontent they now reap. The resulting popular perception is of Europe as Brussels and Brussels as bureaucracy. The Europe of values and of added value in confronting the many contemporary global and transfrontier challenges beyond national boundaries has been hidden from popular view. This is not to argue that EU institutions are or should be beyond criticism, far from it, but too often they are the butt of cheap shots from those who should and do know better. The popular public debate is

locked in a zone between poorly explained and badly comprehended reality and overblown caricature, leaving the European Union politically vulnerable, simultaneously both undersold and oversold by its supporters and critics alike.

We have our European Union but we struggle to find our Europeans. We have our institutions but wonder who among key national leaders as they emerge will animate their European expression. For mixed motives and absent visible downsides electorates have felt free to reject with impunity contemporary formulations of Europe such as the Constitutional Treaty. Yesterday's narratives are not playing to today's generation.

No reflection on last year would be complete without accepting that the wider social and economic context and not just the Constitutional text played a key role in the referenda debates and so the balance of my reflection here today will rest in that domain.

As Europeans we struggle to assimilate new global realities in our policy perspectives. We preach radical reform but practice conservative corporatism. We crave transformation but we resist change. We want to be cured but refuse the necessary medicine. We need to deliver for a race to the top but prefer to debate the race to the bottom. We limit freedoms of movement and the establishment of services with each while insisting on the need to confront global change. Together at European level we set highly ambitious policy targets, such as the Lisbon Agenda, but separately at member state level we frustrate their achievement. The mid term review of Lisbon conducted by Wim Kok, the former Dutch Prime Minister, spoke of a delivery gap at risk of becoming a credibility gap for the European Union. This was months before last year's referenda.

As regards politics, especially at the European Council, I would suggest that strategic leadership was never more necessary but rarely less available to the European idea. National interests have become more assertive. The Community method of decision making has been under stress

from a more determined intergovernmentalist approach. States that in the past acted as accelerators of the European project have hit the brakes. Leaders speak of more Europe even as they insist on paying less.

20 million unemployed, with particularly severe youth unemployment in several states; fears about outsourcing of jobs to new East European member states or to Asia; anxieties about immigration and non assimilation of immigrants in host communities, fuelled by evidence of Islamic terror from within our societies have all combined into a potent mix for populists. As Liberals we inherit and inhabit a world of ideas and values. They hinge critically on the idea of freedom. Ours is the antidote to playing on or exaggerating fear, the hallmark of populism.

There is a now an attendant risk in some political quarters of a drift to a new populism expressed through neo-protectionist policy preferences. For Europe and its peoples this would be a recipe for disaster, a road to nowhere.

The neo protectionist policies which they espouse cover a broad front and include social policy anti-reform conservatism, promoting national champions when Europe sorely needs to foster global champions, trade protectionism, blocking free movement of persons in general and immigration in particular and slowing down or stopping enlargement as a response to voter concerns. Perversely virtually all of the above would be counterproductive and precisely the opposite of what an ageing, under performing EU needs.

In economic terms Europe above all else cannot be a first class player on a second rate economic performance. By first class I am referring to sustaining and promoting those policies on environment, solidarity and cohesion on which, in our differentiated ways, we place such priority. A cautious and conservative continent is not what is now called for including if the conservatives in question call themselves Socialists.

Consistent economic growth that respects sustainability is the only way to pay for Europe's social policy objectives and

needs. It is the only politically feasible way to avoid deep seated and dangerous social tensions from emerging. I believe that the root cause of Europe's lack of dynamism lies less in its procedures, although these can and should be greatly reformed, but rather in the core beliefs and preferences of some of its key players and leaders.

More specifically, it lies in their slowness and for too long their unwillingness to acknowledge the contemporary redundancy of the post war corporatist settlement of high labour taxes, regulation-intensive inflexibility and dependency inducing passive welfare systems.

It is no accident that those EU states that have most embraced reform in the past decade or two are also the most successful economically. Reform works. The European Union's periphery is the proof. From Spain to the United Kingdom, Ireland, the Netherlands, Scandinavia and increasingly Central and Eastern Europe reform is yielding positive returns. It is worth recalling that the Nordic model which is becoming increasingly alluring in Western European policy circles for its flexicurity owes a great deal of its recent success not to socialist and welfare dependency excess but to reforms and flexibility argued for and introduced by our liberal Scandinavian friends.

Our popular European debates suffer from a surfeit of jaded caricature and phrases that have become entrenched, such as the European Superstate, ultraliberal Anglos-Saxon capitalism or Competition Policy angst. We need to confront such caricature which is a poor substitute for substance. It is this conservative ideology of the old left and right that is preventing Europe's future from emerging. As Liberals we need to exert ourselves to ensure that our voice is heard. As Europeans we have got to start releasing the human and other energies and potential to realize our future. We have to confront stereotypes and take head-on the false prospectus and flawed analysis of jaded corporatism that too often yields to the loudest voices and the strongest interests rather than insisting on the wider public good.

Consider for a moment the European Superstate in question. It has no police force, no standing army, a resource base of only 1% of the combined income of its constituent parts. Its administration is about the same size as a small city.

The European Union is competent to act only on the basis of Treaty-conferred, member state negotiated and ratified authority.

The European Court of Justice has direct effect in its jurisprudence in the interpretation of EU law only and has had this power since its foundation in the 1950s.

Taxes, pensions and welfare, health, education, housing, law and order, transport and land use policies, the raw ingredients of day to day national politics and national budgetary policy, are all rooted firmly in the member states, decided by them and not by the EU.

Some Superstate!

This allegedly ultraliberal Anglo Saxon capitalist policy space spends two fifths of its limited budget subsidising agriculture and rural development, a further third on redistributive structural and cohesion funds to assist its poorer regions and almost a tenth on development assistance to poor countries. In short over 80% of EU expenditure is spent on subsidies or solidarity.

It would be interesting to speculate what might happen if the European Union actually tried liberalism for a change!

As regards Competition Policy, no more than the doctrine of direct effect as regards the European Court of Justice, this is firmly rooted in the Treaty of Rome, a gift to Europe of an earlier generation of German and French leaders. It is not some new Anglo-Saxon conspiracy slipped into the Constitutional Treaty.

Freedom is not simply a given. It must constantly be fought for. It is being fought for now in Europe in the world of policy

and ideas. Stuttgart thirty years ago was a place of definition for the ELDR. It can and should inspire today a sense of redefinition and rededication for our times. Let me close with some questions and they are not merely rhetorical.

Who will speak for freedom if not Liberals?

Who will challenge corporate conservatism of the left and the right if not Liberals?

Who will release Europe's untapped potential if not Liberals?

Energising Europe is the theme of this conference. To work energy needs to be released so that it can be free to bestow its power. The idea of Europe is under stress from inertia and a slippage towards populist backsliding.

Who will free it from the clutches of populism if not those who believe in the dignity of the individual, the rights of man and the power of freedom?

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PAT COX

ELDR

Stuttgart

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