

'Economic Growth and Social Progress in Rural and Urban Areas'

Speech by

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Dear Parliamentary Secretary,
Ladies and gentlemen

It is with great pleasure that we are here with you today in Riga, this exquisite city which is the jewel of Art Nouveau in Europe. This artistic movement which came to a rapid end with the onset of the First World War, fully expresses the creative freedom and opulence of those times. Culture defines and expresses how a nation sees itself and I am very pleased that even today, the Arts are given centre place in Latvian society, notably through your music. Of course History also plays a central role and in the case of Latvia, your history has indeed been turbulent. For my European colleagues, let me mention that in the 12th Century, Latvia was famous as a trading crossroad, often referred to as the "*Route from the Vikings to the Greeks*", or from Scandinavia to Byzantium. Today, you are not only a part of the European project, but you are driving it, as Presidency of the Council of the EU. This is not an easy task for any country – my own Italy, had the Presidency before you and I know first-hand the difficulties. So let me take this opportunity to congratulate the Latvian authorities for your work on the Presidency so far and to warmly thank you for hosting us for this event. I would also like to thank our three Latvian members, who have been instrumental to the success of this conference: Gunta Anča, Andris Gobiņš and Armands Krauze.

At our event today will be looking at 'Economic Growth and Social Progress in Rural and Urban Areas'. Together, we will discuss the challenges facing Latvia, notably in the aftermath of the economic crisis. We will then explore novel instruments to enhance the prosperity of the country and to encourage social cohesion, for example, the potential of the social economy and of social enterprises. Finally, we will examine how to strengthen the role of civil society and how to improve dialogue with the European Institutions. As the members of our Group will note, these subjects go to the heart of the work of the Various Interests Group over the last five years. The topics to be discussed also reflect the cumulative richness of expertise and knowledge within our Group.

Before going further, allow me to briefly present the European Economic and Social Committee and our Group. The EESC is 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 European 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, SMEs, the crafts sector, the liberal 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 makes recommendations on draft European policies and legislation.

As mentioned earlier, today we will be looking at a broad scope of subjects and actors. For me, what links these topics together, is the concept of *participatory democracy* and *active citizenship*. It is the idea that civil society and citizens need to take ownership of the process, they need to be engaged and active throughout. Why is this the case? Firstly, as many of you will be aware, the Treaty on the EU makes institutional provisions for dialogue with civil society and citizens, in Article 11 of the Treaty. So there is a legal obligation for the EU to consult civil society and citizens. But there is also a very pressing reason which touches on the lives of all of us, namely: the economic crisis.

Europe today has almost 24 million unemployed people, with sky-rocket rates of youth unemployment, the highest in the developed world. In November of last year, the President of the European Commission, Mr Juncker, referred to these 24 million unemployed as the '29th State of the EU'. He continued by saying that the principal objective of the EC should be to reverse this reality. I am aware that here in Latvia, unemployment is above 10%, which is higher than the EU average. However, on the positive side, your GDP growth is much better than the EU average, with a difference

of approximately 4 percentage points. Indeed, in the Baltics, you already underwent very difficult years of restructuring in the 1990s and today you are perhaps better equipped to deal with the crisis, notably in Latvia through your key sectors: timber export, the chemical, pharmaceutical and high tech industries.

Unfortunately, in most of Europe, the economic crisis of 2008 has been the worst since the Great Depression of 1929. It has resulted in a serious identity crisis for Europe and the revival of prejudices that we thought had been overcome. Today's Europe is one of increasing divisions between its people, between North and South, with the rise of populist, anti-European, anti-Islamic and anti-Semitic movements. It is a Europe whose citizens do not trust the institutions. For according the EU's statistical body, only 37% of Europeans actually 'trust' the EU. In Latvia your rates are higher, with 46% of nationals trusting the EU. Unfortunately, the Europe of today is also one which in my opinion, has lost its sense of direction. Let us hope that the new Commission of President Junker will be able to redeem the situation. But today, we have a Europe which is 'reacting' instead of being 'proactive', a Europe which 'facing' or looking at its problems but not really grappling them. In the 1950s European integration was driven by a 'dream' of peace, of reconciliation. Again in the 1990s it was driven by the aspirations of a social Europe, of EMU, of reunification after the fall of the Berlin Wall and the end of the Iron Curtain... We were always moving 'forward'. Today, I fear that Europe is defining itself and advancing only *in reaction* to external factors, rather than driving its own agenda. For example, the European Energy Union that is currently under discussion is in my view largely a *reaction* to the dangers of energy security and climate change. Today, we are too much 'defenders' rather than 'openers', too much 'stayers' rather than 'movers'.

Ladies and gentlemen, it is precisely for these reasons that we, civil society, need to invest not only in our future prosperity, but also in social cohesion and in participatory democracy. It is imperative that we rethink how to revive the sense of belonging and identity, how to rebuild trust. In my presentation this morning, I will not go into the policy details of rural and regional development, nor into the potential of the social economy or volunteering. These topics will be sufficiently dealt with by our expert speakers. I will simply say that whether we are talking about combatting depopulation in rural areas, creating employment through social enterprises or focussing on community-led development, the message is the same. We need to build up *local* capacities, mobilise the grassroots and civil society organisations, propose innovative and integrated approaches and build up alliances and networks. Above all, we must *empower* local organisations and give them ownership of the process.

These are not only my personal beliefs, but they are also enshrined in the EU Treaties and reiterated by our political leaders. Not only does Article 3 of the Treaty on the European Union state that the EU should balance economic efficiency with equity, social and territorial cohesion. But in addition, the conclusions of the meeting of the Council in June 2014 stipulated that the EU is '*A Union that empowers and protects all citizens*'. The question is how to move from theory to action and results?

I would like to end my presentation by stating that 'human and social progress', which is the ultimate aim of any political endeavour, is the responsibility of all of us. It is the responsibility of every civil society organisation and every citizen, *not* only politicians and institutions. You touch upon this also in the moto of the Latvian Presidency: '*A Competitive, Digital and Engaged Europe*'. Yes, engaged with the outside world, but also engaged with its citizens. I firmly believe in a Europe which both empowers and protects its citizens and local communities. A Europe which respects the principle of subsidiarity and which finds solutions for better social outcomes! Let us jointly strive for a new European 'dream'. Let us dream together!