

European Values in the New Global Context

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The global context emerging at the beginning of the 2nd decade of the 21st century is significantly characterised by a protracted financial and economic crisis in Europe and North America, and a relative decline of the West and the rise of new global players led by China; in a power shift from West to East, from the Atlantic region to Asia.

I am deeply convinced that in this situation, more than ever, the European Union has to base its policies on some of the core values that the European People's Party (EPP) and all its member parties and associations share. At this moment, the EPP is busily formulating a new platform¹ spelling out its central values, the new challenges of the 21st century and the policies resulting from them. In the context of the current crisis, I would particularly like to emphasise three of them: Solidarity, subsidiarity and sustainability. Together, they already contain much of the EPP value consensus. And they have been, and will continue to be, crucial in getting the EU back to dynamic growth, prosperous stability and security. That is why they should guide our policies in the implementation of the economic governance incorporated into the Euro Plus Pact.

Solidarity is a time-honoured principle as old as mankind, although the term itself came into use only about 150 years ago. "No man is an island, entire of itself; every man is a piece of the continent, a part of the main."² – I believe this quote by the English baroque poet John Donne brilliantly expresses what we are talking about. And, using his words, I believe we can say that in this crisis, all the people and all the countries of the European Union are a piece of the same continent, quite literally. Economic collapse in one country affects all others: Inside as well as outside the Eurozone, the failure of one is the failure of all.

Consequently, there is a clear obligation for the strong to help the weak. In terms of the Euro Plus Pact, this principle is contained in the European Financial Stabilisation Facility. But solidarity works both ways. In order for the principle to work, and be accepted by everyone, those who are helped have to help themselves. They have to create

1. This document, replacing the Athens Basic Programme of 1992 http://www.32462857769.net/EPP/e-PressRelease/PDF/athene-BASIC_PROGRAM001_.pdf, and following up on the 2001 Berlin Declaration "A Union of Values" http://www.32462857769.net/EPP/e-PressRelease/PDF/13-01-2001%20A%20UNION%20OF%20VALUES.pdf%20EN001_.pdf, is to be adopted at the statutory EPP Congress in October 2012 in Bucharest.

2. Devotions upon emergent occasions and several steps in my sickness - Meditation XVII, 1624

their own tools to stimulate economic competitiveness. They have to make their own efforts to get out of their calamity, and provide evidence that they are striving to avoid trouble in the future. That is why the European Semester is so important: The mechanism for mutual economic and fiscal supervision and coordination is an integral part of the Euro Plus Pact. It is, in a way, the other side of the coin of the applied solidarity that we all invoke in this situation.

Subsidiarity is a term literally invented by the forefathers of the EPP political family, in the framework of Christian Social Teaching in the 19th century. “It is a fundamental principle of social philosophy, fixed and unchangeable, that one should not withdraw from individuals and commit to the community what they can accomplish by their own enterprise and industry.” – this is what Pope Pius XI said in his encyclical *Quadragesimo Anno*³, in 1931. It is so important to our political family because, like few other values, it distinguishes us from most of our competitors. Until today, subsidiarity remains a branded product of the European People’s Party.

In the context of this crisis, subsidiarity means that economic governance must remain limited to the indispensable. It should focus on avoiding a repetition of the debt crisis we are going through, and thus strengthen the European Union. It should increase coordination and address macroeconomic imbalances on the basis of the Social Market Economy. But it must not endanger the diversity, creativity and dynamism that form the basis of Europe’s economic potential. It should especially protect Small and Medium Enterprises from excessive administrative burdens and avoid market distortions. It must strengthen, and not weaken, our competitiveness. In other words, smart economic governance must not become an oppressive economic government. That is why subsidiarity is so essential to getting out of the crisis.

Third, sustainability: The term which is traditionally used in the context of environmental policy, signifies the capacity to endure over time. It must also be applied to our economies, especially to the financial markets. And here, more than anywhere else, better regulation is in demand. And because the crisis originated in the financial sector, banks need to be the central focus of attention. A new European financial architecture, with new regulatory standards, is an elementary part of the Euro Plus Pact, because the lack of smart regulation was one key element in leading us into the crisis.

But in order to achieve economic and financial sustainability, we will need another indispensable element: dynamic growth. For the EPP, market forces remain the critical driver for growth. The institutional and regulatory framework contained in the idea of a European Social Market Economy should enable free competition for the well-being of all actors. Growth, jobs and through them the ability of everyone to share prosperity are at the heart of economic sustainability.

In addition to better regulation and market-driven growth, sustainability has another important component: austerity. Throughout this crisis, it has become obvious that most European countries have been living beyond their means for decades. It has to be spelt out very clearly today: There is nothing moral about building up debt without thinking about how and when it will ever be paid back. Just like environmental pollution, it carries a price, which will be paid by future generations. Therefore, it flies in the face of the principle of subsidiarity.

I am deeply convinced that by emphasising these three central values: solidarity, subsidiarity and sustainability – the European Union will be able to master this crisis and return to stability and prosperity. The political family of the EPP should play the leading role in this process, just like it has played the leading role in all decisive phases of European integration. And the EPP and its member parties should be frank and open about all of this to the European public. We know there are no simple solutions to

3. http://www.vatican.va/holy_father/pius_xi/encyclicals/documents/hf_p-xi_enc_19310515_quadragesimo-anno_en.html

complicated problems. But we have to take the apprehensions and aspirations of our people seriously. We have to listen and then explain our policies. That is not populism, as some of our competitors are claiming. That is common sense.

I believe it is obvious: Ordinary people vote for populist parties because populist parties talk about ordinary problems. And as long as populist parties are the only ones to do so, their strength will grow, as we have recently witnessed in many elections across the continent. Accordingly, we cannot leave the difficult issues to them. On the other hand, we ourselves have to avoid oversimplifying things and helping populist parties to gain further legitimacy. We know this is a political tightrope, but we have to walk it. It will not be the first or the last difficult balancing act for our political family.

But ultimately, no political communication effort will succeed against populism if the EU does not deliver success, in terms of a better and more secure economic future. That is why, in the financial and economic crisis, we have to base our policies on the central values of our political family.

The ongoing global power shifts will not be reversible in the near future. Nor should Europe strive to weaken its competitors in the global market. But by reemphasising the central values of the EPP, and becoming more self-confident again about the future of the West as a whole, the negative effects of the power shift can be minimised. And we should always be confident that our central values of freedom and responsibility, as well as solidarity, subsidiarity and sustainability, will retain and even increase their attractiveness to the people in Asia and other parts of the world, because in the end, these are values which have emerged in Europe, but they are valid universally.