

Ladies and gentlemen,

The European Parliament is delighted that you are meeting here today to talk about ways of stimulating growth in Europe.

Since the start of the crisis in October 2008, 24 summits have been convened, but today's is the first to focus on growth.

This has created huge expectations, which you must meet – by taking concrete decisions – by June at the latest.

A number of EU Member States are sliding ever deeper into recession, and there is a danger that they will drag the rest of Europe with them.

It will take too long for the structural and budget consolidation measures required to bear fruit and, at long last, make Europe more competitive.

In the meantime, the risk is that the economic and social repercussions of austerity will tear Europe apart.

For that reason, we need growth **now**.

It is an encouraging sign for people and for the economy that you have recognised this and convened a growth summit. Now, at last, rhetoric must give way to action!

What Europe does not need, however, are vague declarations of intent.

What Europe needs now are practical measures.

And these must be on the table in time for the June Summit.

Ladies and gentlemen,

Last week I was in Athens and talked with pensioners, schoolchildren, students and other ordinary Greek men and women.

It was important for me personally to do that, because I have the feeling that we in Europe talk all the time **about** Greece, but hardly ever **with** the Greeks themselves.

The message which I bring you from Greece is a simple one: the Greek people are suffering, the Greek people are desperate.

Despite the painful sacrifices they have made, the Greeks can still see no light at the end of the tunnel.

You, ladies and gentlemen, have it in your power today to send the Greek people and other European nations suffering the effects of policies which focus on austerity to the exclusion of all else a message of hope:

that they should not give up;

that all the sacrifices have not been in vain;

and that we are finally moving in the right direction again.

Because Europe is now setting itself a new goal: growth!

Ladies and gentlemen,

Many people in Greece are uneasy about the power exercised in an anonymous, bureaucratic way by the Troïka. This feeling is clear to anyone visiting the country, and it is also giving rise to a misunderstanding among the Greek people that the Troïka's plans amount to an attempt to subjugate the country – and not an overwhelming act of solidarity on the part of neighbouring peoples.

We must, at last, give our policies a human face. We must explain and seek to win support for those policies. It is regrettable, in my view, that so few senior EU politicians should have visited Greece over the last two years.

Unfortunately, both in Greece and the rest of Europe too many people are prepared to put their private interests ahead of the common good. To give only one example, there are the wealthy Greeks who move their money out of the country, in a blatant breach of their duty to show solidarity with their fellow citizens.

I am convinced that we must tell people the truth.

This is why I made the following clear to my discussion partners in Athens:

Yes, the way ahead will be painful, because the impact of sacrifices required will make itself be felt immediately, whereas the structural reforms will bear fruit only at some time in the future.

Yes, the way ahead will be hard, but outside the euro it would be even harder.

And I would add one more thing: in Europe, the principle of *pacta sunt servanda* applies. The Greek Government reached an agreement with the Troïka: aid payments in return for budgetary consolidation. If the next Greek Government unilaterally reneges on that

agreement, then other governments will likewise no longer feel bound by it and will not approve any further aid.

Some people in Greece are fostering the illusion that the country could halt its debt repayments and structural reforms and, at the same time, remain in the eurozone and continue to receive aid. They keep quiet about the inevitable prospect of State bankruptcy and the incalculable risks and social upheavals it would bring with it.

Ladies and gentlemen,

My conversations with young Greeks have moved me deeply. They are in a similar situation to people of the same age in Spain or Italy.

They often have excellent qualifications, are multilingual and open-minded. And yet they know that every second young person in their country has no job. And even if they do find a job, very often the salary is not enough to live on.

More than five million young people in Europe are unemployed.

This is jeopardising social cohesion.

This is jeopardising the European integration process.

This is jeopardising democracy in Europe.

We are failing to exploit the potential of the best-educated generation our continent has ever had!

Only yesterday a young Greek woman wrote to me the following: 'Many of us keep quiet about our qualifications and language skills just in order to get a job of some kind. (...) I am an EU citizen, I have a doctorate in European studies, I speak four languages, two of which I can teach, and I still can't find a job. (...) Nevertheless I am optimistic and I believe in Europe and in Greece'.

Yesterday a young Spanish also wrote to me saying: 'The feeling which we in Spain have at the moment is that there is nothing left for us. Parents in normal families are afraid of losing their jobs. We try to prepare ourselves as well as we can so that we perform as well as we can in our jobs. Jobs which we can't even find. (...) The only message reaching us from above is:

we need to make savings, we need to make cuts in the areas of training, research and social insurance. (...) Give us a reason to hope!’

That is what young people in Europe today need: hope! At the moment, however, they feel that we have let them down.

A young Spanish woman put the following question to me recently: You found EUR 750 billion for the rescue mechanism, but how much money can you find for us?

This generation is the future of Europe! It is our task to give them a future.

These young people are looking to us to reduce unemployment drastically.

Many good ideas have already been put forward concerning ways of combating youth unemployment.

A job guarantee for school-leavers, such as already exists in some Member States, could be introduced.

Apprenticeships could be created in close cooperation with the social partners.

The Commission has put forward an interesting proposal in the form of the European Employment Service – if it is to work, it needs your support. European mobility must be improved by means of the more effective mutual recognition of qualifications and by providing people with language training.

Above all, if we are to secure the future of our young people we must put the European economy back on a sound footing.

Today we, as the representatives of the peoples of Europe, are offering you a pact under the terms of which, over the next 12 months, the three EU institutions, the Council, Parliament and the Commission, would take every possible short-term measure to stimulate growth, create jobs, put an end to the credit squeeze and introduce fair tax systems.

It would also be a pact with ordinary Europeans to win back their confidence in the ability of the EU institutions and the Member States to take effective action. This is a project which must involve all 27 Member States. You, ladies and gentlemen, decide how strong the EU is – we can meet this challenge together.

Here are just three examples of action we could take together as part of a growth pact: we could take measures to combat youth unemployment, to promote renewable energies and to help small and medium-sized firms.

In its report on the economic crisis the European Parliament put forward practical proposals on the funding side:

- project bonds to finance measures to modernise EU infrastructure and investments in green technologies;
- measures to combat tax evasion and the introduction of a financial transaction tax would generate additional revenue;
- new financing instruments, such as micro-loans and private-public partnerships, could be introduced;
- the European Investment Bank's lending capacity could be increased to over EUR 10 billion.

The next multiannual financial framework is another vital component of this strategy. We need an ambitious EU budget based on recognition of the fact that, taken alone, the sums it contains represent no more than one-hundredth of the economic output of the Member States, but that, taken together, they make up the largest investment programme in Europe.

A sensible EU budget represents an investment in our future:

Because it supplements the Member State budgets;

Because it generates European added value by providing a focus for national efforts;

Because it stimulates growth in underdeveloped regions in particular.

Let us not waste time talking about notional percentages which may later be revised upwards or downwards. Let us talk instead about practical policies, practical programmes and practical initiatives.

That should be the basis for our discussions at the June European Council. At that meeting – as provided for in the Treaty – strategic decisions can be taken and a new political course set. Parliament has already set out its ideas in the SURE resolution. What precise form the key policies will then take over the next few years can be determined by the European Parliament and the Council working together under the codecision procedure.

Let us first agree on what is sensible and necessary, what measures Europe needs to create growth and jobs. And then let us talk about how those measures can be financed. Expenditure and revenue are inextricably linked, and negotiations must therefore deal with both these aspects of the budget: nothing is agreed until everything is agreed.

The EU budget is an investment budget. EU funds channelled into financing instruments have a very clear multiplier effect: every euro of public money generates up to four euros of private investment.

Ladies and gentlemen,

Let us be clear about one thing: in the current situation, half-hearted statements of intent are simply not enough.

Hopes which you raise today will have to be met, and promises you make today will have to be fulfilled, at the June European Council.

There is nothing else for it: we simply have to come up with practical measures to create growth and jobs.

I look forward to discussing these ideas with you.