



# INTERVENTION

by Guy Verhofstadt

at the occasion of the award ceremony for  
the Doctor Honoris Causa

Dear Rector, ladies and gentlemen, dear students,

It is a very big privilege for me to be here today in Bucharest and in your University. And it is a great honour to receive this Doctorat. I am most grateful to you all. Thank you very much.

Ladies and gentlemen, the European Union is in a crisis. And this crisis can have potentially fatale effect on our Union. Unless we change course now.

The EU is living through a dramatic economic and financial crisis. Unemployment is up. Growth is down. Deficits keep increasing. As does debt.

Yet this is a uniquely and specific European crisis. This crisis is not global though. China and India continue on a spectacular growth path. So does Brazil too. The US is growing again. Even Japan is coming out of a long period of economic stagnation. Only Europe is in recession today.

So why? Is it because we are less clever than the others? Or is it because we manage the crisis less well?

Well, I believe that the root cause - the reason why we are still in crisis today, is because Europe is not integrating enough. That is the real reason. It is a crisis of politics. Not of economics.

Because we still believe that we can provide national solutions. To European or even global problems.

Ladies and gentlemen, you must know that today the five hundred largest multinational companies account for 70 percent of total world trade. A position they have systematically consolidated over the past twenty years. Today, more than half of the world's largest economies are actually not states but companies, enterprises, multinational companies. They have no home. And they have no borders.

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# DOCTOR HONORIS CAUSA

Yet we too often continue to think within our borders. And we find ourselves impotent.

Because, we, the nation states of Europe, are simply dwarfs faced with the reality of the new empires. Empires such as China or India. Or empires such as multinational companies. They are the ones that define the rules. And it is increasingly so in ecological terms. In economic terms. In financial or fiscal terms. In political terms.

So we have a simple choice. Either we integrate or we will slowly lose influence. Lose relevance. But most worryingly. Lose our civilization model.

Today the EU represents about 7% of the world population. Yet we spend 50% of all social spending in the world. This means that we have decided to put people first. And we are the only place in the world where this is being done. Not even in the USA where Obamacare has tried to rectify some of the inequalities.

So ladies and gentlemen, the solution is not less Europe. But more.

But what Europe do I mean. Because when I use the word "Europe", I don't mean the European Union of today.

Not the Union of today that is badly governed. Governed in an intergovernmental way. Governed in an inefficient way. An incapable of taking the right decisions at the right time.

But that's not surprising when you know how our Union works. Indeed, what is actually more surprising is that our Union is able to take decisions at all.

Stand back for a few seconds and see how we try and solve problems. How we govern Europe.

Let me show you. Imagine that the USA was managed by the 50 governors of the 50 US states.

That means no Obama. It means no American administration. No American treasury. There are only the 50 governors. And they meet five, six times a year. In order to decide on the policies of the United States. Important questions like should the banks be recapitalised? Should we help the Syrian opposition? Should we have a common migration policy? And then to make matters

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worse, to take all decisions by unanimity.

So I ask you, would such a system work?

Well, no. There is no way it can work.

Yet, that's exactly the way we are governing Europe today.

So, ladies and gentlemen, there is only one way forward.

There is only one way to tackle our problems.

That is to recognize we need more Europe. In our globalized world of today. And that it is only a more integrated Europe that can defend our model. Our principles. Our values.

And that in order to regain our sovereignty. Not to loose it as many would have you believe.

No ladies and gentlemen. I repeat. In order to regain sovereignty. To regain the capacity to take care of our own destiny. To control our own future.

Let's be clear, in 2030. That is just over 15 years from now. There will not be one single European member state present in the G8. There will be the USA, China, Russia, Japan, Brazil, India, Mexico. And Indonesia. Not a single European country.

So either we integrate. We unite. Or we become irrelevant. It is no longer an ideological choice. The only ideological dimension is how to make a more united Europe function. And here we have different models.

We have the current model. The one we see on TV in Brussels. Heads of state meeting every few months in secret and seemingly finding solution to Europe's problems. And always doing too little too late.

We know it doesn't work. Indeed, this Europe of too little too late is fuelling euroscepticism and populism. People are not crazy. They understand that with such a system - a hidden diplomatic system - you can't solve problems. And furthermore, that these

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solutions need to be legitimized. They need the consent of the people. And that is missing.

So the eurosceptics are not wrong in their criticism of our Union. It is dysfunctional. It is not sufficiently effective. And it is finding solutions too slowly - when it finds solutions at all.

But the eurosceptics are wrong of course in the solution they prone. Hiding back in the past. It is not back to the future - but back to the past. We want a better tomorrow. And they, the eurosceptics, want a better yesterday.

But we do not need a more united Europe for the sake of it. We need it to find solutions.

And every time I hold a plea for a more integrated Europe, I hear that we are at risk of losing our individuality. Our national identity. Our culture. Clearly eurosceptics don't seem to mind that we are now losing jobs en masse because of the globalized market.

But actually the opposite is true. The Union provides protection for our identities. Our cultural diversity. Our multilingualism. Our minorities.

So a more integrated Europe, a federal Europe is just a protection against the natural tendency of nation state to absolute homogeneity. A protection for multilingualism. A protection against discrimination of minorities. Against the imposition of a cultural or religious norm.

In short, a federal Europe is a guarantee for us not to repeat the mistakes of the past.

Today, look at the language map of the European Union. They both practically coincide. And in places where there still is multilingualism, these languages are only tolerated as a kind of heritage. Rarely are they recognized as an official language. Well, it used to be just the opposite. Multilingualism was the rule. Now is the exception. And this is the result of two hundred years of nationalism in our continent .

The foundation of a more united, integrated Europe, of a federal Europe, is the preservation of pluralism, multiculturalism, multilingualism, diversity in all its forms. A federal Europe will not remove these differences away. On the contrary. An integrated Europe is seeking out the elements in common. What connects us. And this common ground are the values that we share.

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Our common principles. Our shared ideals : democracy, free market economy, social responsibility, freedom of expression, tolerance, freedom of religion or belief. A whole range of fundamental beliefs.

And this is what makes the basis of our common citizenship. It is our values and principals. That are common.

So more Europe is the solution. Not the problem.

And more Europe means a European Union.

A political union.

Because what would be a disaster for Europe - would be less Europe. And what would be a disaster for Member States, would be less Europe.

So we need a political union with a real European government.

With a European treasury.

We need to go forwards to the United States of Europe.

Not a uniformed centralized place.

Quite the contrary. A place where decisions are taken at the level where they can be implemented. And that these decisions are taken democratically. In an open and fair way. Not a centralized superstate.

Where citizens maintain their identities but are also able to protect their interests. Where a more united Europe is seen as a chance and not a threat. Where is it understood that working together is the only way of guaranteeing our common futures.

This is the kind of Europe I want to see emerge over the coming years.

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Because, lets be clear ladies and gentlemen.

I am not advocating integration for the sake of it. Nor am I proposing institutional change lightly. Because institutional change is certainly not an end in itself.

In their book 'Why nations fail - the origins of Power, Prosperity and Poverty', Daron Acemoglu and James Robinson clearly demonstrated how strong institutions are needed to generate economic growth. And most critically, keep it. Not so much in the daily management of a country, but the sustained anchoring of democratic institutions.

"Why Nations Fail" starts with the story of Nogales, a city located right on the border between Mexico and the United States. A fence divides the city into a northern and a southern part. Into an American part. Into a Mexican part. People of the same ethnic group. Living in both parts of the city. Under the same sun. On the same soil. And affected by the same disease.

Yet the American part of the city is prosperous and healthy. And the southern part much less. Actually, all aspects of the southern part are worse.

The difference in development between the two is only explained by the lack of strong economic and democratic institutions in the south and its presence in the north.

So we face this choice in Europe. Do we want to work on strong European institutions that are efficient and democratic? That enjoy the confidence of citizens and entrepreneurs. And that lead to wealth creation? So that we can enjoy top schools and top universities? And also excellent health care, innovative companies? This is what is at stake. No more, but certainly no less.

In short. Do we want to be the North or the South of Nogales?

I have chosen. And I hope you have too.

Many thanks.

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