

President Schulz' Speech in Athens

Athens - 18-05-2012

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Ladies and gentlemen,

I have come to meet you in Athens today because I have the feeling that we in Europe have spoken far too much recently about Greece, and far too little with the Greeks. We Europeans should learn to listen to each other once again.

If one wishes to change anything, one must always start with oneself. That is why I am here with you today. I could talk about Greece wherever I went in Europe. However, I should like to talk with you. I should like to explain my point of view to you. And I will also listen to you, if you would like to give me your views. That is why I am in Athens today and making a speech to you.

Actually I had planned to visit Athens last Monday, but postponed it until today on the advice of President Papoulias. I had absolutely no wish to create the false impression that I wanted to interfere in Greece's domestic affairs at the critical juncture when efforts were being made to form a government.

In all honesty, I have to say that I am deeply dismayed at the failure of attempts to form a government and the announcement that fresh elections are to be held. Greece is standing at a crossroads. As a friend of Greece, I sincerely hope that the Greek people will continue to follow the European path. It has never been more important than it is today to maintain the dialogue, on a basis of closeness and mutual trust and in a genuine effort to reach mutual understanding.

I came to Athens two months ago and spoke with members of the Greek public. I am here today to continue those conversations.

This morning I spoke with pensioners who, after working hard all their lives, have had their pensions reduced.

Some of them do not know how they are going to pay their electricity bills out of their meagre pensions.

Some of them do not know how they are going to be able to continue to support adult children who have been unemployed for a long time and are no longer receiving any State support.

Today I have been speaking with school-age students who have received an excellent education, speak several languages and have a cosmopolitan outlook – and yet are contemplating the future with fear, despair and anger. Why? Because, in your country, one young person in two is unable to find work. Because, even if they do find a job, the pay is too low to live on.

Today I have been speaking with entrepreneurs. Business people are desperately looking for investors, and cannot find a bank that will lend them money. These entrepreneurs do not know how they are going to pay their employees over the next few months.

Today I have been told about families who do not know how they will be able to provide food for their children. I have been told about mothers placing their children in care because they are no longer able to care for them themselves.

Walking around the streets of Athens are homeless people; people begging; people rifling through dustbins for something to eat. In my earlier trips to Athens I have never seen such scenes.

I have received the message loud and clear: the Greek people is suffering.

I understand your despair.

I understand your resignation.

I understand your anger.

European solidarity demands that we stand by each other.

The citizens of Greece are not to blame for the current situation, and yet are having to bear the main burden of it.

Ladies and gentlemen,

In the last few days I have been following the Greek press particularly closely. I have been struck by how often it was reported that the EU is threatening to throw Greece out of the eurozone, and that the EU is in effect blackmailing Greece by threatening that, if you do not implement the austerity policy, you will have to leave.

That is why I want to say, here and now, as clearly as possible:

The EU wants to keep Greece in the eurozone.

Both for the sake of Greece and for the sake of Europe.

And I know that 80% of the Greek people want to stay in the eurozone.

It would be much easier for me now to tell you what you, perhaps, would like to hear: that the harsh spending cuts are not necessary, that structural reforms can be dispensed with, that everything will be better tomorrow.

I cannot say that to you, however.

If I did, I would be lying to you.

It is not always easy to be honest and to openly state the hard facts. But friends, of all people, must speak the truth to each other. They have a particular responsibility to do so.

The first hard truth is this: austerity measures and structural reforms can not be circumvented.

It is a painful path to follow, because the privations of austerity are felt at once, but the benefits of structural reform can only be reaped later.

We must recognise this: an extremely high government debt of 160% of GDP is not sustainable. We must recognise that the Greek economy is currently unable to compete.

These are hard economic facts. They continue to exist, irrespective of whether Greece stays in the EU – and in the eurozone – or not. Even if Greece ceased overnight to be either in the EU or in the eurozone, it would have to reduce its debts and undergo a process of reform.

I fully understand how many people are uncomfortable about a bureaucratic power operating in their country as an anonymous troika. I am sorry, therefore, that so few EU politicians have come to Greece to explain these measures and try to win your trust. Politics needs a human face in order to dispel fears. The EU troika is not harbouring colonial ambitions, but implementing a rescue package.

The second hard truth is this: no EU country will release the next instalment of the EUR 130 billion rescue package unless the next Greek government adheres to the commitments that have already been made. Europe is based on the principle that agreements must be complied with: 'pacta sunt servanda'.

People stop trusting an individual who breaks his word. Greece's reliability is at stake; but so is Europe's. The so-called 'euro crisis' was also partly caused by a loss of confidence in the European governments' will to fulfil the requirements of a monetary union.

The Greek Government, as this country's representative, reached an agreement with the Troika: an austerity programme in exchange for a support package. If Greece wants the Troika to keep its promise to pay the next instalment, which Greece needs by the end of June at the latest, Greece must also keep its promises.

I have no sympathy with people who pay no taxes and send their money out of the country: no true patriot treats his country – and his fellow citizens – in such a way and in such a situation.

I repeat my appeal to the rich people of this country, therefore, to give back some of what this country has given you.

It is not only in Greece that people are suffering the consequences of the financial and economic crisis. In recent weeks I have been to Spain and Italy, where I spoke with young people who are unable to find work and are caught in an endless spiral of unpaid internships, short-term contracts and unemployment. The best educated generation our Continent has ever produced is in despair. The huge potential of these young people is going to waste. This represents not only a great number of individual tragedies, but also a tragedy for European society as a whole. There are EU countries which are in an extremely difficult situation themselves, and yet are meeting their obligation to show solidarity. They are helping Greece by providing billions of euros in loans.

In my own constituency, in Aachen, people come and tell me that they have lost their job as a result of the crisis, or lost their private pension as a result of the financial crisis, and can no longer meet the payments on their mortgage. It is deeply moving to hear how people's lives have been disrupted and the difficulties they are facing. Swimming pools, libraries, theatres even schools are being closed or are forced to limit their services: streets are not being built or kept in shape, because of budget cuts; This impacts on the quality of life of people.

These people ask me, why are you giving all that money to Greece? Why aren't you helping me? Why aren't you helping my community? Why are you not investing that money here in our country? We underwent structural reform in Germany with the Agenda 2010 programme, are we now supposed to pay for other people too?

These people are my constituents; I have a responsibility towards them; I am accountable to them.

What I say to them is: yes, we must help Greek people, because we in Europe form a community that practices solidarity, and we stand up for each other and tackle problems together.

I tell them we are not only helping Greece, but all of us.

Because we Europeans are all the same boat.

Because it is only by acting together that we can weather this storm.

And because everyone must play their part, out of solidarity and responsibility.

Some by providing support in the form of loans, others by introducing reform measures.

My own country, Germany, has guaranteed EUR 401 billion under the rescue package. EUR 401 billion! That is more than Germany's entire annual budget.

This sum has to be approved, in the German Bundestag, by German Members of Parliament. Their constituents are asking them the same questions as mine are.

Your fellow peoples of Europe have undertaken to make these huge efforts in order to help you. Europe is standing beside you in solidarity. Take Estonia or Slovakia as an example. The per head income is below the one in Greece. Still, these countries are contributing to the rescue mechanism. This is true European solidarity!

Trust is founded in the reliability of both partners. If the next Greek government does not keep the promises that have already been made and adhere to the agreements that have already been reached, many people in neighbouring countries will have the impression that Greece does not keep its word.

Who would approve new loans then? It is only natural for people to want to get back the money they have lent.

If you let down those European politicians who, up to now, have called again and again for Europe to show solidarity with Greece, and if you disappoint the very people who were prepared to support you from their taxes, the only people who will be left to negotiate with you in the end will be the ones who see only figures, not people.

I know what you have suffered in recent years.

I can understand why you are asking 'why should I care about the country going bankrupt, when I myself have lost everything and am struggling to survive? How could the situation get any worse?'

But if you give up now, the last two years of austerity and painful sacrifice will have been in vain.

If you give up now, the next instalment of the bailout will not be paid. What that means is that the Greek State will have no more money in future to pay salaries, to pay pensions, to pay unemployment benefit, to keep the schools and hospitals going.

People who say that all you have to do is not pay anything back are failing to mention that Greece would then receive no more credit, either from banks or from countries.

Those who say we don't accept the memorandum, but we will stay in the euro zone, nourish a fake hope. They promise relief but in reality they will lead the country into devastation.

People who say that Greece need not abide by the agreements may be reflecting your gut feeling. I understand people who are now thinking: better get the horror over with. But that gut feeling is misleading.

The people who say that Greece need not abide by the agreements are failing to say that that can lead to only one thing, Greece's departure from the eurozone. They do not say what will happen next, and how Greece will get back on its feet again. They fail to say that, once outside of the eurozone, the horror will only just begin for the Greek people, and the people who will be most severely affected will be those who are already suffering most. You have a hard path to follow now, but the path would be even harder outside the eurozone.

I know what sacrifices you are making every day. Do not allow these sacrifices to have been made in vain! Don't abandon ship just when it is finally beginning to change course!

The signs in Europe point to a change of direction: we are setting our course towards a policy of growth.

Do not abandon ship now that there is at last hope on the horizon!

The European Parliament has been insisting for a long time that, in addition to the - necessary - austerity measures, we should introduce a growth pact. Austerity measures make sense, but only so long as they do not impose an austerity regime which is so one-sided that it chokes off any prospect of growth. The second pillar, growth policy, must not be overlooked.

We, the representatives of the peoples of Europe, have been calling for a balance to be struck between austerity policies and growth policies. And now, at last, we are receiving a hearing. Those who are listening to us include:

- the EU heads of government, who are holding a growth summit next Wednesday;
- the Commission, whose President, José Manuel Barroso, has now circulated proposals for a growth pact;
- the President of the European Central Bank, Mario Draghi, who is calling for a ten-year plan and a policy of growth;
- the new French President, Francois Hollande, who has announced an alternative Europe, a Europe of growth.

One only has to read the writing on the wall to recognise that there are signs of a change of direction in Europe: we are changing course towards a policy of growth.

That is a sign of hope for the European economy.

It is a sign of hope for the people who, everywhere in Europe, have had to bear the burden of the consequences of the financial and economic crisis.

It is a sign of hope for the Greek people which has had to suffer such painful sacrifices.

The Greek people needs growth initiatives in order to promote economic recovery, create jobs, boost demand and also make it easier to clear our mountainous debts.

In recent months I have stressed again and again that I believe in Greece's great economic potential. I have drawn attention again and again to Greece's favourable geographic position. As the stepping-off point to other, dynamic regions in Europe's immediate neighbourhood to the east and south-east, Greece can really develop a new momentum.

Since the beginning of the Arab spring a year ago, North Africa has been emerging into a new future. Southern Europe is its natural partner. Now is the time to breathe new life into the Union for the Mediterranean, so that it can fulfil the hopes of young people on either side of the Mediterranean sea.

Greece must exploit this potential by, for example, playing a central role, through its ports, in trade.

As soon as entrepreneurs see that Greece is freeing itself from bureaucratic restrictions, private investment will follow once again.

This applies, in particular, to renewable energy, including solar energy. This has great potential for growth and jobs.

On behalf of my colleagues in the European Parliament, who, throughout Europe, and every day, are appealing to their constituents for solidarity with the Greek people; who must ask themselves difficult questions, and harbour doubts, about whether the rescue package makes sense, and who have been calling for a European growth initiative for months now, let me say: the Greek people is not alone. The other peoples of Europe are not your enemies; other countries are committing billions of euros in loans - large proportions of their national budgets - for your sake.

We are standing by your side.

We want to help you - let us help you.

We want to fight for you - so fight alongside us.

Ladies and gentlemen,

We have achieved so much together in the last few decades in Europe.

We have created, out of the ruins of the Second World War, a project that combines democracy and peace, freedom and solidarity in a way that is unique.

We have succeeded in persuading enemies to reach out to each other in reconciliation and become friends.

A region that used to be plagued by famine has become the most prosperous internal market in the world.

People have freed themselves from dictatorships and turned their countries into democracies.

Together, we have created this European model of society.

Think how many obstacles we Europeans have overcome in the last few decades!

Let us be proud of what we have achieved. Let us remember that we have been strong whenever we have stood together and acted together. May the successes of the past convince us that we will also be able to weather this storm together. Together, we can do it.

Ladies and gentlemen, thank you for your attention.

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