

The Prime Minister's speech at The European Summit for Government Transformation "The Danish EU Presidency: A transformative agenda for Europe" 27 juni 2012

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Thank you for the kind introduction.

Rector Demaret, Chief Executive Noordende, Dear students, ladies and gentlemen,

First of all, let me say that I am delighted to be here today to perform this year's Jean Monnet lecture. It is a pleasure and a privilege.

I was once a student at the European College myself. It was a fantastic experience in all sorts of ways. It provided me with a European outlook and it gave me a solid understanding of European integration that I would not be without. So to the students out there who are with us today – count yourselves lucky.

Although you might feel the pressure from an upcoming exam, please do appreciate the fact – at least once in a while – that you are attending one of the best institutions of higher learning that Europe has to offer. Today, I would like to reflect on the Danish Presidency of the Council of the EU, and talk a bit about what we have managed to achieve during our term. I will also say a few words about tomorrow's meeting of the European Council and about some of the important tasks that lie ahead of us.

But before turning to European politics, allow me to address directly the main topic of this conference, and share some of the Danish experiences with modernisation of the public sector.

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Ladies and gentlemen, we live in a time of great challenges. And from a public policy perspective, one of the most important challenges is the need to improve our public finances. I am sure this has been a main theme in your discussions today.

Part of the solution is a dedicated effort to improve the organization of the public sector. We must provide better public services for each euro or kroner we spend. Innovation and better management of public resources is called for.

It is not an easy task. It requires a broad based effort. One approach I would like to bring forward today is that of digitalization, which we have very good experiences

with in Denmark.

Digitalization is not just a buzz word. It's efficiency. And it is also means better services to the citizens. We have decided to make digital communication between public authorities and citizens mandatory in Denmark. By this December, if citizens want to change address or enroll their children in public school, it must be done online.

And by the end of 2014, citizens will receive all their mail from public authorities through a secure digital mailbox. This is a tremendous release of public resources that can be used elsewhere for more important tasks. Of course, people without the necessary computer skills will be assisted. We will also apply more digital solutions in areas such as education and health care. For instance some chronically ill patients can have their condition monitored from the living room rather than having to drive to the hospital.

These are of course just examples of the way in which digitalization can ensure better services to the citizens as well as reduce pressure on the public finances.

Whenever there is potential to modernize, do something smarter than before and save money on top of it – one must seize the opportunity.

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On this point, allow me to turn to the European agenda.

A Jean Monnet lecture is a most excellent opportunity to travel back a bit in time and look at how we ended up with the Europe we see today.

Amid the ruins and the economic despair caused by the Second World War, Jean Monnet saw that if Europe were to be reborn, incremental steps and tangible results were necessary. Not a new dose of grand ideologies or utopian blueprints for the future. Europe's path to become a co-operative, prosperous and democratic continent at peace with itself and with the wider world consisted of piecemeal engineering.

This vision, this radical break from the immediate past of two horrific world wars is Jean Monnet's fantastic achievement. Incremental steps and tangible results that made Europe great during the subsequent 50 years.

And – ladies and gentlemen – incremental steps and tangible results is what will help Europe overcome the current economic crisis too. If anything can restore growth

and prosperity to Europe again – it is this method. The “Jean Monnet method”.

By a determined focus on obtaining specific incremental results – be that in the shape of EU-legislation, political decisions or new treaty-based mechanisms – Europe will be able to wrestle its way out of our current challenges.

Tangible results are also what the Danish Presidency has been all about for the past six months. Tomorrow’s meeting of the European Council will be the last during our Presidency. It will be a European Council squarely focused on economic growth and job creation. This is what Europe needs more than anything else today and it is what we have been working for as a Presidency since the beginning of our term.

We will also discuss the report from the President of the European Council on ways to strengthen the Economic and Monetary Union. As you know, Denmark is not a Euro zone country, but nevertheless the discussion will have significant implications for all of us. This will not be the meeting where we solve the euro crisis – let’s be frank about that. But we will embark on a process which hopefully down the line will lead to further strengthening of the Euro.

I would like to elaborate a little bit today on our Presidency agenda and the specific results that we have achieved so far. Under our programme headline “Europe at Work”, we have worked vigorously to build agreements and construct compromises among the Member States in a constructive collaboration with the European Parliament and the Commission.

And the overall aim of all of this has been to utilize the platform of the Presidency to harness one of the EU’s most unique capacities as an international organisation. The inherent power of the EU to transform our way of thinking, our way of acting and our common understanding of what must be done. The many tangible results delivered during our Presidency are not only good progress in themselves, they will also serve to transform the EU – incrementally, step-by-step – into a more modern, a better managed and a more green community of 27 European countries.

With regard to the need for a more modern and growth-tuned Europe, let me mention a few of our achievements.

Firstly, I am extremely pleased that we managed to adopt the roaming regulation, which will lower prices significantly on cell phone usage across Member States.

This will ease movement in Europe as well as reduce administrative burdens on our companies. In short, it will contribute to growth.

Another piece of legislation which will modernise the Single Market is the regulation on a European system of standardisation.

This agreement will help the spread of new technology in Europe and reduce administrative burdens on companies. It will also make it easier for European companies to participate in the development of new standards and it will shorten the distance between an idea and its transformation into a product that can be bought and sold.

Thirdly, an agreement was reached in the Council three weeks ago on the establishment of a Connecting Europe Facility, which is a facility to finance a more effective European infrastructure with transportation, energy and communication. It will target large cross-border projects with a significant potential to boost economic growth – in particular by supporting the building of bridges, railway lines, tunnels, broadband cables and gas pipelines across Europe.

With regard to ensuring better management and reforms in Europe – I am extremely pleased that the Danish Presidency has implemented the first full European Semester.

The Semester is the overall framework for ensuring stronger economic co-ordination in the EU, where the situation of each individual Member State is evaluated in order to determine any imbalances or dysfunctions of national policy.

This is exactly the type of capacity in the EU that can help transform Member States by pushing them in the right direction and ensuring their progress.

The Semester is our common instrument. It helps all of us achieve the objectives spelled out in the EU's growth strategy, Europe 2020.

I am in no doubt that we will witness more political accountability and stronger budget discipline thanks to these surveillance-measures.

Besides better economic co-ordination, it has been a key priority for the Danish Presidency to get a bigger impact in Member States for the billions of euro spent each year through the EU's budget. In a time marked by austerity and shrinking national budgets we need to get more value for money. According to a study by the Commission, the discrepancies between Member States in terms of the impact obtained at the national level of structural funds are simply too glaring. We really must obtain better spending.

As a third major priority in our efforts to arrive at better management, we have been

working hard to stream line the next EU-budget for growth!

All Member States need to allocate more funds toward growth-enhancing areas like research, education, energy efficiency and green technologies.

Measures that will inspire growth and stronger job creation has been a mantra of the Danish Presidency for the past six months, and I am pleased to note that the tomorrows' meeting of the European Council will put a strong emphasis on this burning issue.

How we make the EU-budget more oriented towards the growth and job creation will form an important part of the discussion at the summit.

Finally, with regard to the third objective of ensuring a greener Europe, I want to highlight the extremely important deal we cut with the European Parliament on the Energy Efficiency Directive. Apart from lowering costs on energy and increasing our competitiveness, the agreement will create up to 400.000 new jobs in the EU by 2020.

In a time where resources are scarce and the environment is under pressure, there is an economic benefit for those who chose to follow a path towards green growth.

In this respect, the directive is a crucial stepping-stone for Europe to achieve our two inter-related goals of transforming Europe into a competitive low-carbon economy and increasing our energy security. This is an excellent result and this is exactly what I mean when I say that the EU has a unique transformative capacity that runs all the way down to the local level of the Member States!

Additionally, in relation to the green agenda, let me also mention our agreement with the European Parliament on slashing sulphur emissions from ships by 90%. This is also very welcome news. Ladies and gentlemen, our Presidency remains committed to its growth and jobs agenda till the very end the term, and at the European Council tomorrow, I am confident that the 27 Member States will be able to sign off on a Growth Pact.

I expect the Growth Pact to focus on growth-enhancing actions both at EU and national levels. The Pact will include a mixture of new measures as well as existing instruments recalibrated or refocused to address our current needs.

In this respect, it will be most crucial to strike the right balance between ambitious initiatives and realistic ones.

The Pact will likely include project bonds, improved access to lending for small and medium sized companies as well as better use of structural funds to boost growth and employment. In that respect, we must also ensure the redeployment of EU budget funds to improve Europe's productivity and competitiveness.

This is all crucially important, because Europe's recovery from the current economic crisis must walk on two legs. It must contain significant and far-reaching fiscal consolidation at the national level as well as European measures to promote growth and jobs. The Pact must strike the right balance.

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Ladies and gentlemen, during the past six months the EU has been under tremendous pressure from a number of very difficult challenges.

But with every crisis comes great opportunity. And in the midst of this, the Danish Presidency has sought to move Europe in a more modern, better managed and green direction. But the EU has also taken a number of significant steps to address the situation.

Since January alone, 25 Member States have signed a fiscal compact with significant implications for budget discipline. A major loan package to support Greece has been decided. The financial firewall between Euro countries has been strengthened tremendously. And the banks of Spain have been given a strong helping hand.

These are important and far-reaching decisions, but like so many other actions at the EU level, their true implications go more or less unnoticed.

These decisions are signs that we did not give up on each other. We showed solidarity and stepped up to the fact that we have to help each other.

Our societies and our economies are firmly rooted in the core values of solidarity, social safety nets and equal opportunity for all.

These values make Europe stand out in the world.

When Europe has taken tough decisions and pulled itself through hardship, as we are working to do right now, we have done it exactly to protect the values we believe in.

I am a great believer in the European social model and the way we have organized our societies in Europe. Historically, Europe has been able to simultaneously

promote sustainable economic growth and social cohesion.

In the backdrop of the crisis, Member States have recognized that the answer to the current challenges facing us is more Europe, not less.

The economic crisis in combination with the pressure from financial markets has strengthened the solidarity, the discipline and the cohesiveness of the European Union.

And if we dig a bit deeper and ask ourselves, why Member States have decided to strengthen the European project rather than allow it to unravel in the pursuit of their own national solutions, I believe that the answer is this: Because EU countries are so connected and so integrated as they are today, viable alternatives to common solutions and joint actions at the European level simply do not exist.

When we act in common as we have done for the past six months, European governments stand a fighting chance to regain the confidence of the markets and make progress.

The EU has a special ability – through dialogue and debate – to create a common understanding in countries all over Europe about the necessity of change. Because the EU is much more than just the sum of its Member States. It is the common instrument through which we can ensure a sustainable transformation of our societies, if we chose to use it correctly.

Ladies and gentlemen, I said at the beginning of my address that the Jean Monnet method of incrementalism and piecemeal engineering can make Europe great again. I firmly believe that, and I also believe that the European Union gradually, perhaps even a bit reluctantly, has applied this method through the past months of crisis management.

I am not saying that all is well now and that Europe's governments can just lean back and let the Brussels machinery work its wonders. Far from it! The economic crisis remains very much on our agenda, and there is continued need for a steady hand and strong political guidance.

But I firmly believe that the European project – which Schuman, Monnet, Spaak and others helped to construct – is robust and will weather the current crisis.

It is within Europe's own capacity to wrestle our way through the crisis. We can do it our self, if we work and act in common.

Let's prove to ourselves, to the world at large and to the future generations that we are up to this challenge of getting Europe back on track.

Thank you.