



PES Cohesion Conference – 10 July Sergei Stanishev's opening speech

Ladies and Gentlemen,
Dear Friends and Comrades,

Thank you very much for coming to the first PES Cohesion Conference.

And I emphasise 'first' because this is an area that will be very important for our political family in the coming months and years. And I hope that in our political family many more fruitful discussions on the future of cohesion policy will follow up.

We are gathering here to debate the progressive strategy for the future of European cohesion policy. **And I dare say – the policy that represents the essence of European integration.**

Even hardest Eurosceptics are left without arguments when presented with the numerous benefits our citizens have enjoyed over the decades thanks to cohesion policy.

Almost thirty years cohesion policy was kicked-off with an annual budget of around 10 bn EUR (in current prices). It was 30 EUR per citizen when the European Community comprised only 13 countries.

Today, with all regions of the European Union being covered, we are contributing 50 bn EUR every year, so almost 100 EUR per citizen, to this shared pot of money. These common resources:

- improve our schools, hospitals, public transportation;
- improve access to clean water and fresh air;
- provide training and skills;
- modernize our roads and railways.
- And support many, many more interventions that vastly improve the quality of everyday life of millions of Europeans.

This is a policy that works. I am sure everybody in this room can give numerous real-life examples of projects, infrastructures and jobs created thanks to EU cohesion funding in their regions and local communities.

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Just to give you some examples. Only in the previous Multiannual Financial Framework cohesion policy created **1 million jobs**, supported financially 60 000 research projects, 120 000 start-ups and as many as 400 000 SMEs. It allowed 6 million people to benefit from higher quality water. **For every euro invested in cohesion policy, the EU's GDP received in return almost 3. The numbers speak for themselves.**

None of this would have been possible without a commitment to upward social and economic convergence that has guided this policy throughout decades. Without a steady increase in funding after successive enlargements we would not enjoy the standards of living we have today. **And perhaps we would not have had European integration at all.**

The three decades of cohesion policy are a great achievement of which our progressive family can be proud. But this also means that we have special responsibility for taking good care of its future.

Today we are here to think together how we could make this joint exercise in European solidarity even more efficient, even more sustainable and even more beneficial for all of our citizens. How to make sure that lagging regions receive adequate support in the new EU budget? How to guarantee a fair distribution of funds between regions? How to approach the expectations that EU will be doing more and more with the same small budget at only 1% of the EU's GDP?

Today more than ever we need to face difficult questions. We need to challenge conservative forces that would rather see cohesion policy cut because it is seen as an outdated, unjustified form of support to those regions that refuse to stand on their own feet. We need to face those who would see cohesion policy as a yet another field of 'financial innovation' where loans and guarantees push out grants as the standard form of support to regional projects. And we need to deal with the implications of Brexit which will obviously decrease EU's budgetary revenue.

Dear friends,

Today we are here to discuss a progressive strategy for the future of cohesion policy. I would like to share with you some principles and priorities that I believe should be guiding our position in the upcoming negotiations on the next MFF and the next Cohesion Policy.

First and foremost, we need to counteract this tacit but widespread agreement that the EU will be devoting less money to its regional policy after 2020. I have a sense that this can become a self-fulfilling prophecy. Without any convincing reason it has become silently accepted by many that cohesion policy will have to decrease in the next MFF.

I have a fundamental problem with this. Cohesion policy is the most successful investment tool in the EU. It creates hundreds of thousands of jobs every year, and helps to increase quality of life better than any other policy in the EU. Let's remind ourselves: for every euro invested in cohesion policy, the EU's economy gets in return almost 3 euro.

Cohesion policy needs to be reformed and improved, for sure. But let's say it loud – **we will not support any scenario for the future of EU that involves reducing the budget of cohesion policy.** And I regret that the Commission's White Paper on the Future of the EU includes decreased commitment to cohesion policy in its 4 out of 5 scenarios.

We need to find the right tools to support our least developed regions. The gap between poor and rich regions in Europe has widened during the last austerity decade. This is to a large extent because macro-economic policies prevent regions from investing. This must change. Co-financing contributions from Member States should be excluded from calculations of public deficit under Stability and Growth Pact rules. And let's not forget that European funding for cohesion policy mobilises a lot of additional resources for investment from Member States. In many cases this investment would have not been possible without this European leverage.

We need to realise that blind austerity kills Europe's investment capacities and is slowly destroying the social fabric especially in poorer regions. This is also where our commitment to young people appears. They should benefit from the glorious freedoms of movement and work as much as possible but should not be forced to leave their local communities just because there are no jobs and perspectives, and because they feel the EU is not doing enough to help them. That's why we have to make sure that the social and employment pillar of future cohesion policy is robust, with at least 5 bn EUR annually earmarked for the Youth Guarantee, as laid down in the PES European Youth Plan.

Let me get back to my earlier point. I said that the EU was built on solidarity. Solidarity is the essence of cohesion policy.

Today European solidarity seems to be in a deep crisis. The best example of this is of course the refugee crisis and the saddening unwillingness of many of our Member States to accept the refugee quotas and, even more importantly, their complete lack of interest in coming up with a comprehensive strategy to overcome this challenge for our community.

I believe solidarity is a two-way street – on one hand you benefit, on the other you contribute. It is as simple as that. This is how this Union was built. I deeply regret the fact that the Member States that benefitted a lot from European support in the last decades today are turning their backs on the EU when the community calls for a joint action and solidarity with people fleeing war, violence and hunger.

At the same time, the money that EU channels to its regions should not be put in question because of some short-sighted and simply wrong political decisions made by national governments. We, in the EU, have developed other means, like triggering the article 7, to ensure that democratic standards and European solidarity are respected, and we should stick to them. In any case, let's not punish schools, hospitals and ordinary citizens for mistakes made elsewhere.

Dear friends,

Europe is at a crossroads. We hear every day that the EU should do more for less. Others say it should dissolve and that nation states would do better on their own. I fundamentally disagree.

It is evident that the EU has to do more, not only because the challenges of today – economic slowdown, growing inequalities, aging societies, climate change – ask us to do more. It is also because **no other transnational political project has ever delivered more synergies, more positive spillover effects, and more tangible results for an ordinary citizen.**

The choice is simple. Either we do more together, with more resources, or we slowly cease to exist.

I call on the European Commission to be very ambitious and to propose a post-2020 budget that adequately responds to the challenges of today, and prepares us for the challenges of tomorrow. This means a strong and well-funded cohesion policy that addresses the needs of our regions. In the end of the day, our citizens think about projects funded by cohesion policy when they think 'Europe'. Diminishing the importance of this great project would not be understood. And all pro-European forces would pay the price for not doing enough to let Europe flourish.

We have always had in mind that **European integration must be developed on three legs**. Historically speaking, and this is the **first leg**, this community started with **economic integration**. We have supported an efficient single market, and some have criticized us for this.

The **second leg**, thanks to the initiatives of our political family, **is cohesion policy**. It made possible to fight inequalities between member states and regions and to support many social goals that are crucial for Europe. So far, it can be considered as an "EU success story".

The **last leg** is the battle for a **Social Europe**. We know how difficult this battle is. We are far from achieving our goals in this regard.

If now cohesion policy is downgraded and its budget decreased, the progressive aspects of the European integration will be seriously damaged!

Europe must advance on its three legs or it will be totally unbalanced. We must preserve and enrich cohesion policy. **Without an ambitious cohesion policy framework much of the social progress in the EU will be lost.**

Dear friends,

I am very happy to see so many distinguished speakers attending this conference, and so many participants in the audience. I am very grateful to Commissioner Corina Crețu for accepting our invitation. Before I give floor to Corina, I would like to declare that our political family is the first one standing to the battle for the future of cohesion policy that meets our aspirations and is capable of responding to the challenges of tomorrow.

This is one of our absolute priorities which I will be defending in the coming weeks and months at the time when the details of the future EU budget will be decided.

I would like to thank you all for coming and wish you a very fruitful discussion.