

## **Opening speech – EGP Council 10 October 2008 - Montreuil**

Dear Friends,

2009 will be a battle.

This campaign will not be for the fainthearted. You can expect that traditional parties, whose credibility is now largely at stake due to the current global crises, will do whatever it takes to seduce again the citizens. On the other hand, populist parties at both ends of the spectrum will spare no tactic to leverage the fears that are now roaming our countries at will. Yes, it will be tough, and don't expect the Green music to come easily to the ears of our fellow citizens.

The three elections that took place in September give us some sobering news, but also reasons for hope. In Slovenia, we did not manage to get into Parliament. In Austria, despite repeating a double-digit result, the Greens lost a seat and we are all very concerned by the 30% of voters who chose the right-wing populist parties. Conversely, despite missing 10% by a narrow margin, the Bavarian Greens achieved a resounding success in Germany's most conservative state. Lessons learned from those elections are

- Unite, unite, unite : the basic condition for Greens to succeed is to ensure that all green forces work as one;
- Connect with the citizens where they stand : understand their fears, their concerns and address them while opening new perspectives;
- Be innovative, not just with our ideas, but also with the people we choose to be at the forefront of our campaigns.

In that perspective, I would invite you to look at this context of accelerating climate change and collapsing financial economy as an opportunity. Both of them are vindicating the analyses and visions that have been ours for decades. So don't be overwhelmed by this context; let us take advantage of being proven right in our diagnosis to go on the offensive.

Now, how do we do that? Of course, we want the citizens to join us in our vision. However, especially when fear is all over the place, few of them will be bold enough to dare choosing the radical change we advocate. No, if we want to reach the citizens, we need to go where they are. Even before the financial collapse started, our studies already indicated that the European citizens, including our potential voters, see the economy as their #1 preoccupation, followed by social issues and finally by environmental issues as #3. It's obvious that the economy will rank even higher right now.

So I challenge us all to assertively go meet our fellow citizens on the terrain of the economy. Now that most of our competitors have ridiculed themselves by sticking for decades to the mantra of unrestrained markets, I dare say that our credibility gap on the economy has significantly shrunk of late. Let us come forward with solutions. And solutions we do have, some of them for quite a while indeed. I'm sure you have heard earlier today about them in the debate but let me share some of them with you.

- The Tobin/Spahn tax: for decades now the Greens have been advocating the taxation of financial transactions. This would somehow put some sand into a machine gone crazy and slow it down, and its proceeds could fund several initiatives, from insuring bank deposits to development aid and the like.
- We must rein-in the compensation of executives and financial traders, linking it to actual, medium and long term performance, possibly capping them. We must also take a hard look at stock options and golden handshakes.
- Speculative shareholders must not be permitted to control companies: voting rights might be restricted to shareholders that have owned stock for a certain period of time (6 months, a year?)
- Hedge funds must be brought under control; their role in the economy has done more evil (instability) than good (funneling investment money to good ends).
- For chemicals, for consumer products, the EU has implemented legislation to control products that are sold. Experience shows that financial products can be toxic as well. Therefore, I believe we should advocate a FIRE directive (Financial Instruments Registration and Evaluation). By this, the EU would impose a registration and assessment of all financial products being peddled by banks; unless their innocuity and their added value for the economy can be demonstrated, they would be prohibited. As such, products such as the collateralized debt swaps (CDS') which caused the wildfire extension of the collapse

would be banned.

- Similarly, short-selling of assets – that is speculating on their fall – should be prohibited. And let nobody tell you it is impossible: the British and US governments, those who pushed for complete deregulation, just did it!
- Implementing all the above requires a European financial watchdog; at the moment, all of them are national and are facing transnational financial institutions. We've seen that this does not work. We must implement the EU equivalent of the SEC, with adequate power and resources to enforce legislation.

All the above are remedies that are indispensable to restore the confidence of the citizens, of the consumers, of the enterprises and to avoid that we find ourselves in the same situation going forward.

Beyond, we need new initiatives to turn the economy around. And there, my friends, is where we connect the voters with the agenda that has been ours for decades. Making Europe the world's leading green economy, innovating in renewable energy, in sustainable agriculture, in low-impact transport, in energy efficiency, in passive housing.... must be the overarching goal of European economic policy.

Two weeks ago, the ILO and UNEP released a joint report on green jobs. As an example, 2.3 million jobs have already been created worldwide in renewable energy. In wind and solar alone, they see a potential for 8.5 million job creations in the next 20 years. That says nothing about jobs in green construction, in green mobility, in green agriculture and the like.

Making ends meet won't be trivial, as we are now facing an extended period of credit crunch. This is where the public finance institutions must come in. The European Central Bank, European Investment Bank, the European Bank for Reconstruction and Development, now all the banks the states have been the unforeseen owners of must be geared towards that goal.

This is the perspective we must open to our voters; not just offering them protection, but showing them that there is a way out: a green new deal for Europe.

Of course, as for our traditional green agenda, you'll quickly see that all mainstream parties will sing to the same tune, and try to deprive us from our ideas. Our response to our citizens must be simple: who do you trust to make this agenda a reality? Those who until a few months ago, were hailing the free markets, claiming the best government is no government? Or those who have been consistently saying we need this green revolution?

True enough, in order to gain the trust of our fellow citizens, we need to be clear on a number of things. And I would just like to point out two of them.

- The first one is market vs. government: global warming and the financial collapse we live these days are probably the largest market failures in history. However, we do not believe that markets should be substituted by governments. As our economy paper says, we see value in open, transparent markets that stimulate innovation, efficiency and effectiveness ... However, we believe that they cannot guarantee the common good; this must remain the responsibility of democratically elected governments who must therefore decide the rules of the market game and enforce them.
- The second one is Europe: our problem with Europe is not with the Union itself. It is with the right-wing, free-market liberal majorities that dominate it. We need the Union, now more than ever, to achieve our Green New Deal.

Let us not be afraid to say this loud and clear.

Twenty years ago, a curtain went up and a wall went down across our continent. That was the end of the Cold War, the end of history, said Fukuyama. The world had been won over by democracy and capitalism; peace would follow soon. Ruanda, Congo, 9/11, Darfur, Afghanistan, Iraq, the Middle East show us that global peace has yet to be built. Democracy is still a dream in China, Russia, and so many other countries. And the last few weeks have blown away the illusion of that a capitalism of the wealthy which would ultimately work to everyone's benefit.

Now is the true end of the Cold War, a war whose two main contenders both lost. Back in 1989, many Europeans saw an opportunity for finding a third way between the models promoted by the USSR and the USA. Well, maybe now is the time to open this third, Green way.

So, my friends, be confident, stand up! These are tough times, but tough times are made for strong souls, and that we are.

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