

## Speech at the Nueva Economía Fórum

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*Buenos días señoras y señores. Muchas gracias por su invitación a hablar en el Forum. Estoy encantada de estar aquí hoy, y encantada de estar en Madrid, una ciudad tan vibrante y llena de vida.*

I want to begin by briefly describing my role as European Ombudsman for those of you who may not be too familiar with the office. It was created following the Treaty of Maastricht in 1993 in order to do at an EU level what ombudsmen do at member state level, and that is to deal with complaints against the administration.

Complaints that I receive must be directed against an EU institution, agency or body for example, the European Commission, or the European Central Bank or any one of the EU regulatory bodies. Typical complaints range from contract disputes, refusal to release documents, process irregularities in state aid or infringement cases, conflict of interest claims, and alleged breaches of the Charter of Human Rights.

Probably the most significant case concerning Spain in recent years was the so called football case concerning alleged breaches of state aid rules in the tax treatment of certain Spanish football clubs. My role was not to deal with the alleged breach but rather with the delay in the Commission deciding whether to open an infringement case or not. I am elected by the European Parliament for the duration of the five year parliament term and I report directly to it.

But this morning I want to reflect more on the implications for the European Union following Brexit and the election of Donald Trump. As the New York Times put it this week:

“Around the world, his election is already shaping events — or at least perceived to be shaping them — even though he will not take office for seven more weeks. Companies hoping to profit from Mr. Trump’s economic policies have seen shares soar. Countries fearing his anti-trade stance have seen the value of their currencies plunge against the dollar. Governments are recalibrating policies on trade, defense and immigration.”

Political events in Europe are now being viewed through the prism of those two events on a macro and a micro level. Some commentators have forecast the break up of the EU, others the



end of the era of western liberal democracy. A more sanguine prediction is that this crisis will be overcome.

Italy will hold a referendum on electoral and other constitutional reforms in a few days time, a vote which The Economist magazine described as a possible “third domino” in a toppling international order. The leader of the Front National in France, Marine Le Pen believes her chances of becoming President next year have been strengthened by the growing anti-establishment and populist wave, while Angela Merkel’s decision last week to run for the office of German Chancellor for a fourth time was partly seen as a response to the same phenomena. Meanwhile EU leaders are engaged in a face-off with the United Kingdom and creeping authoritarianism in Hungary and Poland further threaten the liberal democratic foundation of the EU.

Last week in Strasbourg, when I presented my annual report to parliament I said that it is important to separate out the populist personalities from the forces that have given them centre-stage. History is full of charismatic populists who have tapped into pools of discontent and latent nationalism by promising easy fixes to complex problems. In the US’s case it was the simple slogan “Make America Great Again”; in Britain it was “Take Back Control”.

But the slogans, despite their cynicism and contradictions nonetheless gained the traction that they did precisely because they spoke to the reality of the lives of many people. New technologies and globalisation have killed off or exported many traditional working class and even middle class jobs, mass youth unemployment is a problem in many EU states, new forms of working threaten long term job security and the at times disturbing connections between politics and private interests are visible in many countries. And when these fears and insecurities reach a certain point it is easy for populists with simple but attractive slogans to ride that wave of discontent all the way to the centres of power.

Many people who voted for Trump may dislike him on a personal level, but they have chosen nonetheless to use him as a weapon, the ultimate disruptive protest in order to shake things up.

German philosopher Jurgen Habermas recently put it like this:

*“[...] this price – the economic and socio-cultural 'hanging out to dry' of ever-greater parts of the populace – has clearly risen so high that the reaction to it has gone over to the right. And where else? If there is no credible and pro-active perspective, then protest simply retreats into expressivist, irrational forms.”*

European leaders now have choices to make. They can continue with business as usual, dismiss the populists, pray that the contagion doesn’t spread and manage Brexit in a way that doesn’t encourage others to go the same way. Or they can see both Trump and Brexit as symptoms of flaws in the economic and administrative order that need to be rectified. The Financial Times Wolfgang Munchau has called this time ‘The liberal elite’s Marie Antoinette moment’. The next very short period of time will tell us whether he’s right or wrong.



The vast majority of people are not however agonising today about whether we are experiencing a crisis of liberal democracy or witnessing so called end stage democracy. The vast majority of people want to get up in the morning, feed and educate their families and hope for a good and stable future. Securing that is not just the core political task for every political leader but is also the key to dealing with threats both to the union and to democratic values. One commentator put it, "If you want to fight extremism, solve the problem." Or, as the Italian writer Lampedusa famously put it in his novel *The Leopard*, "If we want things to stay as they are, things will have to change."

Creating jobs and investing well is obviously crucial, public representatives and public servants also need to join the dots between how they sometimes fulfil their public roles, and how that has been so successfully exploited by Donald Trump and Brexit champion Nigel Farage of the British UKIP party.

Those charged with safeguarding the public interest, need to build public trust not just by facing the challenges of inequality, but also by demonstrating that they serve the public and not their own self interest. The perception that, as the NGO Transparency International put it, public service for some people is simply an audition for a lucrative job in the private sector, is one that the populists have been able brilliantly to exploit even if it is untrue of the great majority both of politicians and public servants.

As European Ombudsman I intervened in the recent case concerning the appointment of former Commission President Barroso to Goldman Sachs bank, urging the European Commission to be mindful of the widespread public concern at what many see as an overly close relationship between politics and private interests. I sensed from the start that this would unfortunately provide great ammunition for the populists and this indeed has happened. The Commission has proposed a stricter Code of Conduct for former Commissioners but it has yet to give its considered view on Mr Barroso and I await that.

I don't know how surprised either Mr Barroso or the Commission was by the widespread reaction to that appointment, but they would have been very naïve indeed not to anticipate a backlash. The involvement of Goldman Sachs in the financial crisis both in the US and in Greece was not something noticed only by economists and bankers. People themselves joined the dots between their personal pain and the actions of both private and public institutions that they trusted to keep them safe. Goldman Sachs, Lehman Brothers, other icons of that crisis literally became household names and therefore the linking of the EU's top ranking politician with one of those private interests was inevitably going to provoke controversy.

The economic crash changed many things and chief amongst them was not just people's trust in institutions but also their increasing awareness of how a system works whether in their interest or not. Social media increasingly means that little remains hidden and previously abstract and obscure matters such as conflict of interest, revolving doors, transparency, became very real in the minds of so called ordinary people.

I hardly need to go into the effects of the crisis with this particular audience here in Spain. The



fracturing of the political landscape and the delay in getting a new government mirrors what has happened in other EU states including my own, which also went through enormous pain in the wake of the financial crisis and which particularly affected young people many of whom were forced to emigrate. I have no doubt that Spanish citizens are also demanding that those in charge have the public interest to the forefront of their concerns and their actions as they seek ways to bring greater economic security and stability to their citizens.

Since coming to office three years ago, my office has increasingly been drawn into these matters and I have also chosen to focus much of my work on making visible who or what influences the decision making in Brussels that directly affects the lives of every EU citizen and even those outside of our borders.

More recently I have begin to look more closely at the transparency of key institutions such as the European Central Bank and the European Investment Bank, and have encouraged the Eurogroup to make its work more transparent given its high profile and critical role.

I've also investigated the transparency of the EU-US trade negotiations - TTIP – and the European Commission has since made many more TTIP documents publicly available.

I've also looked at the transparency and balance of the hundreds of external Expert Groups that advise the Commission on EU legislation, and reforms should now help the public to see more clearly what informs and influences EU law-making.

I have also investigated the transparency of the informal negotiations on EU laws to reach final agreement - known as trilogues - between the Commission, the Council and the Parliament – widely seen as a trade off between efficiency and accountability. I am hoping that the three institutions will accept my proposals for transparency reform.

Those inquiries were all carried out on my own initiative. This power of own initiative allows me to deal with a systemic problem even without a direct complaint. It also allows me to help citizens who might not otherwise be aware of my office or of what we do.

However lack of awareness of the Ombudsman is not a problem when it comes to Spanish citizens and I have always been impressed by how familiar Spanish citizens seem to be with the office of the Ombudsman both here and at EU level.

For many years, complaints from Spain to my office have outnumbered those from anywhere else in the EU which shows that many Spanish citizens are very aware of their rights.

Of course, many of the complaints we receive each year are against the member state or regional authority and not the EU administration. We help everybody who comes to us by directing their complaint to the appropriate place and then open inquiries only into those cases that directly concern an EU institution.

In 2015, my office opened 261 inquiries, 27 of which came from Spain or from Spaniards and



which covered a wide variety of issues. A recent one concerned the EU-Turkey agreement concluded in March under which Turkey is meant to take back migrants from Europe refused asylum, in return for up to €6bn in EU financial aid for refugees. Also for every Syrian returned to Turkey, another Syrian is supposed to be resettled to the EU. The complainants want the European Commission to carry out a human rights assessment of this deal and I will decide on the next steps soon.

Spanish complainants have also been concerned about the EU's management of the Syrian refugee crisis; the transparency of negotiations on the EU-US trade agreement, how the EU's personnel office - EPSO - runs its competitions for jobs within the EU civil service, and the limited use of EU languages for public consultations on EU websites.

However we do get many cases where the only assistance we can give is to tell individuals where to turn to for advice. Last year, for example, 323 complaints from Spain did not fall within my office's mandate. In 2014, it was 309.

Nevertheless, complaints are a good barometer for the concerns of a society at any given moment. From Spain the ones that we are unable to directly deal with tend to concern social and health policies; consumer rights - recently particularly with regards to banks, mortgages and evictions; and allegations of corruption in the regional and national administrations.

During my visit to Madrid I also wish to draw attention to the role of the Network of European Ombudsmen which I co-ordinate.

One example of the outstanding cooperation with **La Señora Becerril** and her team, and other national Ombudsmen, was a parallel inquiry into how the EU's border agency, Frontex, deals with the return of migrants who have not been allowed to stay in the EU.

Our joint findings meant I could draw up proposals to ensure that the fundamental rights of migrants are being upheld. These included seating families with children, as well as pregnant women, separately from other returnees; and promoting common rules on the use of means of restraint. The input from the Spanish Ombudsman's office, amongst others, added weight and legitimacy to my proposals to Frontex - all of which the agency accepted.

Following contributions from the Network, I also asked the European Commission to ensure that transparency into how the money from the EU's Asylum Migration and Integration Fund was being spent in member states.

My office, again with the assistance of the network, is also looking at the transparency of lobbying practices at national level with a view to developing guidelines to help public officials across the EU deal appropriately with lobbyists.

I mention this cooperation to underscore the importance of democratic watchdogs, such as Ombudsman offices, working together. And to emphasise how our work is never finished but rather evolves and adapts just as the political landscape does. At its simplest, but also at its



most useful, the Ombudsman reflects back to the administration how its laws and regulations and administrative procedures are actually felt by the people. It is therefore very important, especially at these times of challenge and stress that governments listen to the voices of the people through the Ombudsman and others who hear on a daily basis about the lived experience of the people that they are there to serve.

We need to protect these and other democratic institutions and not pay lip service to them when it suits a narrow political end. Events in other parts of the world remind us constantly of the importance of upholding and valuing our democratic institutions, the rule of law, of the importance of the separation of powers and how quickly these same institutions can be undermined.

And they will be undermined if we fail on the level of imagination and empathy and believe either that our democratic institutions are impregnable or the values of liberal democracy inviolable.

We have just witnessed how the articulation of apparent racist, xenophobic or misogynistic beliefs was not a barrier to the White House.

We have just witnessed how so many people considered that the felt quality of their day to day lives mattered more than the abstract human rights ideals that many journalists continued to believe were now set in stone for all time.

The US election awakened old ghosts. If this can happen in the US, it can happen here too.

This is not a defeatist remark. Rather it is a call to vigilance. And a reminder that we have the tools to uphold our democracies - we just need to use them effectively, wisely but above all we need to listen closely to what citizens are telling us and not dismiss them until we reach a point of no return.

Sometimes it needs someone outside looking in to remind us of what we have.

On his valedictory tour of the EU, President Barack Obama did just this, saying:

*"The EU remains one of the world's great political and economic achievements (...) and that those achievements should not be taken for granted, (...) they need to be nurtured and cultivated and protected and fought for."*

A good start is to hold public institutions constantly to account and for those institutions to become their own best selves, and to be led by people whose sole and overriding interest is that of the public that they serve.

Muchas gracias.