

Yves Mersch: Opening remarks at the Academy of European Law

Opening remarks by Mr Yves Mersch, Member of the Executive Board of the European Central Bank, at the Academy of European Law, Luxembourg, 29 June 2016.

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Ladies and Gentlemen,

For over 20 years the Academy of European Law (ERA) has provided a forum for law practitioners to debate European legal issues. And the need for such a forum remains strong today – maybe stronger than ever. Shakespeare’s character Tranio in *Taming of the Shrew* exhorts us to “do as adversaries do in law – strive mightily, but eat and drink as friends”. This is an appropriate sentiment for tonight’s event: the ERA is providing food and drink and has invited me to give you all something to argue about.

This is a critical juncture for the European Union (EU). A number of states have re-imposed border controls to stop the inflow of refugees, anti-EU parties are gaining popularity in many member states and one of the largest members has just voted in a referendum to leave the Union. These factors provide a challenge to our institutions and legal frameworks at EU and at national level – a challenge that also legal professionals across Europe need to engage with.

I believe there are many reasons why the vision of a united Europe is worth fighting for. Let me mention just four:

1. to preserve peace;
2. to improve economic prospects;
3. to defend our values; and
4. to increase personal options continent-wide.

The founding fathers of the EU were willing to make political sacrifices to end bloodshed in Europe, following two devastating wars just decades apart. Let us not forget that we are here in a former prison in which every respected Luxembourg family had relatives who stood up for these values.

After 70 years of peace in western Europe it is easy to be complacent that war will not happen again. Yet the current situation in Syria, Iraq, Ukraine and that of the Balkans in the 1990s shows that peace is vulnerable, even on our doorstep. But defence and security have to be understood as a common endeavour.

The economic benefits of the Union are well documented: free trade, the removal of non-tariff barriers, the elimination of transactions costs of foreign exchange payments and the introduction of a single yield curve across the euro area to name but a few. These measures have reduced costs for businesses and households, and in turn generated higher income and created jobs. Looking ahead, also the recovery is on track to overcome the crisis.

Europeans, for all our differences, have many values that we share more closely than even close allies such as the United States. Our social model ensures adequate healthcare and workers’ rights that are absent elsewhere. We value highly human and civil rights ranging from gender equality, data protection, to the condemnation of torture, including the rejection of capital punishment. The protection of these values and rights relies on the vigilance of the legal professionals here in this room and elsewhere. This is even more important vis-à-vis a reality of extreme and obsessive forms of nationalism.

The EU has also increased personal choices. The ability to travel, work and live across borders has been enhanced. The European Health Insurance Card permits European citizens to obtain healthcare wherever they are. 1.5 million people, perhaps including some of you here today,

have completed part of their studies in another member state as part of the Erasmus programme. More than 15 million EU citizens have moved to other EU countries to work or to enjoy their retirement. This wider range of options increases people's wellbeing.

These reasons, and the other positive aspects of membership, have been drowned out in debate by concerns over migration and the large wave of refugees from troubles in the Middle East and elsewhere, the impact of the crisis, disaffection with high levels of unemployment – especially youth unemployment, and a perceived lack of accountability and legitimacy of the EU institutions.

I fully recognise that Europe in its current state is not perfect. The crisis has shown that Economic and Monetary Union is incomplete, and further work is required, particularly in the areas of banking and credit markets.

In order to function democracy requires that citizens can hold decision-making accountable at the level at which these are taken. But today we can only elect and sanction at the national level, while decision making is widely done at the European level. Therefore, we have to enhance the decision-making process at the European level through appropriate democratic control measures and more direct election and sanctioning features.

The solutions to these issues are not simple, and reasonable people may well disagree on their form. This forum is an ideal place to debate what laws, rules and institutions we need to put in place to strengthen the integrity of the Union. I promised earlier that I would give you something to argue about tonight!

I believe the vision of a united Europe is worth striving for. To make this vision come true, we also need to understand the forces behind the populist dissatisfaction with the Union, and not dismiss them. The referendum debate in the United Kingdom has been acrimonious. In striving to deliver a united Europe, we need to be united in ourselves and build a shared EU-wide identity that delivers the necessary democratic legitimacy to the institutions.

Strive mightily, but eat and drink as friends.