

Margrethe Vestager

Fighting for European values in a time of change

Leiden Europa Lecture



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Fighting for European values in a time of change

Leiden Europa Lecture delivered by

Margrethe Vestager

European Commissioner for Competition

at Leiden University on

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Preface

It is our pleasant duty to welcome you: Madam Commissioner, Your Excellencies, Madam President of the Dutch Senate, students, ladies and gentlemen. We are delighted to have you here in these historic surroundings, the heart of our University, for the annual Europe Lecture organized by the Europa Institute. We are proud that we shall celebrate later this year the 60th anniversary of the Institute. As a matter of fact, the Institute was founded the same year the Treaty of Rome was signed.

We are especially excited to have the Commissioner for Competition Policy with us as our guest of honour. When we started these lectures, the idea was to create a platform to discuss issues of public interest that really matter and that relate to the European Union. You have the perfect profile to deliver the lecture. Because of your early interest in European affairs, your prominence in Danish politics, your current responsibilities and visibility in the Commission and, last but not least, the honorary doctorate conferred earlier this year by the University of Leuven - a University with which we have a close relationship.

You are sometimes portrayed as someone fighting mainly American corporations. Maybe this is not so surprising when one unduly emphasises targets such as Google and Amazon, recent record level antitrust fines for Facebook for providing wrong information and the highly publicised taxation State aid recovery orders against Apple and Starbucks. However, one should not lose sight of the fact that you do not shy away from pursuing other multinationals as well, including Fiat and Gazprom.

But there is, as far as we know, much more on your desk. Let me mention, by way of example, two subjects: First, the need for much stronger cooperation and coordination between all the Competition Authorities in the world, among other things

in the area of what is commonly known as whistleblowing, and at the same time the need to give more power and to secure the independence of the authorities within the EU.

And, secondly, you are faced with challenges presented by the new digital economy. Should we, for example, try to stop the use artificial intelligence that may facilitate price collusion and do we have the tools to do so? Can we rely on a conventional analysis, for example: how do we define the market?

From the very beginning of your mandate you have not only emphasized strict enforcement but also the importance of the rule of law, of social justice and fairness. Some critics see concepts as fairness as foreign to competition policy but I would disagree.

Competition policy has always, from the very beginning, more than 100 years ago in the US, been faced with challenges, controversial issues, and new developments in the economy and in society. That makes it so fascinating. It is part of economic policy and some would say consumer protection and should be flexible - while of course also guaranteeing legal predictability to industry.

As a member of the Commission, for you competition policy is only part of the story. It is part of the much larger European project. It is often said that, for reasons well known, Europe is in a crisis and has lost touch with the voters. Well, in some ways, the EU has always faced existential difficulties - and has always managed to survive.

This time, however, the setbacks have been more serious than in the past and came all at the same time. But while the future of Europe is at stake, there is hope, I believe, if we emphasise, as you do, the democratic and cultural values that we share in Europe rather than the differences between nations and people.

Differences are fine and even valuable as long as people share common values relating to fundamental rights, freedom and solidarity as the basis for prosperity and social and economic stability.

It is crucial to convey these ideas to businesses and citizens. As part of competition policy – to prevent abuse of economic power – and, even more importantly, as part of the overall policy of the Union. We need above all a new generation that does not perceive Brussels as an old-fashioned bureaucracy and that does not identify Europe only with structures and rules and regulations. Here lies an enormous public relations task for the Commission. But not only for the Commission. Also the member states should send more positive signals about Europe rather than blaming Brussels for all that goes wrong. And we, at universities, in my view can also stimulate a renewed and positive interest in Europe.

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We are delighted that you are prepared to share your ideas with us and that you are open for questions from the audience afterwards.

Europa Institute, June 2017

Stefaan Van den Bogaert and Tom Ottervanger

Ladies and gentlemen,

It's a very great honour to be here in Leiden to deliver this Europa Lecture. Because this university - like the European Union itself - is a monument to people's determination to build a better world.

Leiden University was created at a time of war and destruction. Its founders had no way to know if Europe even had a future. But they still built an institution with a mission of hope. A mission to understand ourselves, and the world around us. And today, nearly four hundred and fifty years later, the institution they built is still one of the great universities of Europe.

None of us can say we know what the results of our actions will be. This place is a reminder that it's worth making the effort.

Europe: the best place to live in history

And you could say much the same about Europe itself.

This Union was founded a dozen years after the most destructive war in human history. It was born into a Europe that was divided between East and West. Our founders couldn't have known whether Europe would ever be at peace with itself again.

But they persisted. They believed in the strength of the human spirit. And because they did, Europe today is the best place to live in history.

A few weeks ago, I met some students who'd been on the Erasmus programme, studying in a university in another European country.

For those young people, Europe is a common home, where our different cultures are all part of one rich heritage which

they share. They travel, live, love across a continent without barriers. Where women and men have equal rights. Where peace and democracy are so familiar that you can almost take them for granted.

Our young people live those lives because sixty years ago, our founders decided to take the future in their hands. They accepted their responsibility to build a Europe for its people. A Union of law, where people would have no need to live in fear. A Union of rights, where every human being would be equal. A Union of fairness, where no one would be left behind.

Fair competition

That's why the competition rules have been part of the Treaty since the very first day. Because they make sure that our markets work for everyone.

And our founders understood how important that was. They knew that people don't think about politics all the time. But they do have to deal with the market every day. So a fair society has to begin with fair markets.

That's why we get involved when we see that drug companies may have been engaged in price gouging. Just a few weeks ago, we launched an investigation into Aspen Pharma, which seems to have raised the price of some cancer medicines by several hundred percent - medicines that sufferers literally can't live without.

It's also why we have to make sure mergers don't undermine competition. Take the merger we approved recently between two chemical companies, Dow and DuPont. One of our concerns was that the merger would have reduced innovation, and denied farmers the benefit of newer, less harmful pesticides. So we only approved it after the companies agreed to sell off DuPont's worldwide research and development arm for pesticides. This means that whoever buys those assets will be able to take DuPont's place on the market immediately.

And it's not only companies that we need to keep an eye on. Governments can also undermine competition, by giving some companies favours that their competitors can't get. When a government gives special tax treatment to just a handful of companies, that can make it hard for their rivals to compete on fair terms. Our state aid rules allow us to put a stop to that special treatment.

Facing the challenges of the modern world

Europe's competition rules have been in place for sixty years. In that time, they've adapted to a great many changes. Just as Europe has adapted.

Because in our history, the one thing that's been constant is change. And that's as true today as it's ever been. Europe - and the world - are changing fast. The opportunities are enormous. But the challenges are just as great. And we need to work together, to face up to those challenges and get the best of the opportunities.

Free trade and open markets have made us all better off. But people often find it hard to see how a world of global trade, and global business, can still be one that gives individuals a fair chance. That's why we work closely with other competition authorities around the world, to deal with things like mergers that affect markets on every continent.

Meanwhile, technology promises to make our lives better. Companies already use big data to recommend products we might like. In the future, doctors might use it to prescribe medical treatments that are personalised just for us. Wind farms might use it to help produce more power. But big data could also be a worry for society, if it means that only a few companies have a real chance to compete.

This sort of change is making many people feel uncertain. And our response can't simply be to say there's nothing we can do.

To treat change as a tsunami, that we can't hope to shape or control. To tell people that they just have to try their best to hold on - and if they're swept away, their sacrifice was worth it, in the name of the greater good.

Because if we do that, we accept that our values are just words. Just something that makes us feel better about ourselves, not something we're willing to fight for. And if that happens, can we be surprised that some people turn to politicians who don't even pretend to believe in those values?

So we need to do better. We need to be more Dutch.

As the saying goes, God made the world, but the Dutch made the Netherlands. No one knows better than the Dutch that you don't just have to accept what nature gives you. With hard work and determination, you can shape the world around you.

We may not always know exactly what the result will be. But deciding to do nothing is also a decision. And it's every bit as risky as deciding to act.

So we mustn't shrink from the challenges that face Europe today. We have to do the best we can to shape our world, so that values like equality and fairness have real meaning.

Making globalisation fairer

We need to reach out to communities where people feel left behind. Where workers who lose their jobs wonder how they will ever find work again. Where it can seem to people as though their country has become a business - and they have been fired.

We need to be there to protect people who lose their jobs. Not just financially, but by helping them build a future. With support to retrain for the jobs of today, or the help they need to start their own businesses.

Global trade brings competition. That's what it's all about. That's why it helps us spend less on life's necessities - and its luxuries.

But that competition should be fair. The winner of that battle should be the company that makes the best product. Not the one that collects the biggest subsidies, or gets away without paying tax. Not the one that treats workers badly, or carelessly damages the environment.

That's why Europe engages with other countries to find global solutions.

We need to work closely with countries all over the world, to come up with better international rules on subsidies. So that every country in the WTO is as open about the subsidies it gives as we are here in Europe. And so that all of them agree to put a stop to state support that undermines fair competition.

It's why the European Commission is building relationships, like the dialogue we agreed with China earlier this month, which will help us to discuss the sort of subsidies that can make the global playing field uneven.

And this is also why a modern free trade agreement, like the one we just signed with Canada, is about much more than just cutting tariffs. It's about building the trust we need to open up our markets, with basic standards on things like the environment and workers' rights.

And meanwhile, we need to be sure that we are ready for that competition. It makes no sense that nearly half of Europeans don't have the right digital skills. That's why building those skills is an essential part of the Commission's work to create a real Digital Single Market. And by 2020, our Digital Skills and Jobs Coalition - which brings together different organisations in support of those skills - hopes to train a million young unemployed people for vacant digital jobs.

A fairer digital world

Because when we master technology, it gives us control. As workers. But also in our daily lives.

We go shopping on the Internet from the comfort of our homes. And find what we want from a seller anywhere in Europe.

We have search engines that find us the right information almost instantly, out of more than a billion web sites.

We have smartphones that are more powerful than all the computers that controlled the moon landings - and it's our choice if we want to use them to watch videos of cats.

The businesses that made that possible have become hugely successful. A few large companies - most of which didn't exist twenty years ago - now dominate the digital world. And their success can help inspire the next generation of innovators.

But it doesn't give them an excuse to hurt consumers, by undermining competition.

They mustn't misuse their power to drive others out of the market, leaving consumers with less choice. They mustn't use that power to stop us finding out about new products, so the engine of innovation comes to a halt. They mustn't put up barriers inside our single market, to stop us shopping around for better offers.

In short, they mustn't try to manipulate competition, to make the market work just for them, and not for the rest of us. That's why we have competition rules. And it's why, when you do business in Europe, you have to obey those rules.

But a fair digital world isn't just about competition. We also need rules that protect people's basic rights online.

For example, more than four fifths of Europeans feel that they don't have control over their personal information online. So we need rules that give them back that control. Like the new EU rules on privacy, which apply from next year.

One important part of those rules is "data protection by design". That principle means that when you come up with a new digital service, you have to think from the start about how to protect people's privacy. So that treating people fairly isn't just an afterthought.

Gender equality

Because we can't have a fair society only in theory. We need to make fair treatment a part of people's daily lives.

Of course, we should be proud that here in Europe, everyone has equal rights, no matter their gender, their race or their religion. We're even running out of things that we can say no woman has ever done - so thank you for inviting me to be the first woman to give this Europa Lecture.

But even so, we still don't treat women and men equally. Women in Europe still earn one sixth less than men. Only one in every four board members of big European companies is a woman - and only 5% of their CEOs.

The informal quotas that for centuries gave every senior job to a man still linger on.

Katherine B. Coffman, a professor at Harvard University, has looked at how men and women respond to multiple-choice tests. She found that when men don't know the answer, they're more willing to guess - and they get higher scores as a result. When women aren't sure, they stay quiet. Just as girls have always been taught.

But the good news is, it doesn't have to be that way. Professor Coffman found that if you change the design of those tests,

women get the same results as men. And if we look closely at the way our society works, we can make sure that equality becomes a reality.

The importance of Europe

Of course, we still have a lot of work to do, to make sure that our values are more than just words.

And thanks to Europe, we have the power to make a difference. The power to be actors in the changes that are happening, not just to watch from the audience while someone else decides our future.

When we deal with businesses that use every little gap between our tax systems to avoid contributing to the services that make a decent society. Then Europe gives us the power to close down those loopholes.

When we face a threat like climate change, which no country can deal with alone. Then Europe gives us the influence to lead the response. That influence helped to make the Paris Agreement possible. And we'll use it to keep leading the fight against climate change.

But to use that strength well, Europeans need to talk to each other. We need to discuss openly what we want out of Europe. And that means we have to pay much more attention than we do today to the European part of our democracy.

In Denmark, for example, the Parliament has 179 members. And there are 180 journalists who cover its work. So that's one for each MP - and two for the Prime Minister. But only thirteen Danish journalists permanently cover what happens in the European part of our democracy. And that picture isn't very different in other EU countries.

But if people don't know what's going on in the EU. If they can't discuss it with the same understanding that they discuss

national politics. If we reinforce the idea that Europe is distant, complex, irrelevant. Then we deny ourselves the power Europe has to make our lives better.

For sixty years, we've been working to integrate our Member States into Europe. Now, we need to integrate the EU in the Member States.

This is why, in the last two and a half years, the Commission has held more than 150 Citizens' Dialogues throughout the EU. And it's why, in March this year, we launched a discussion on the biggest question of all - what should Europe's future be?

Our White Paper on the Future of Europe doesn't try to give the answers - because these are not answers that the Commission can give. They're about the kind of Europe that people want to live in. So only Europe's governments and parliaments, its trade unions and businesses, its people in every EU country, can answer that question. And I hope that after this lecture, you will share your own views.

Conclusion

Because the time has come to reach out to people across Europe. To put our energies together to build something better.

If we want the world we live in to be fairer and more equal. If we want our economy to work for everyone, not just the lucky few. Then it's no use waiting for something to change. It's up to us to make a difference. We are the ones we've been waiting for.

And like the founders of the European Union, and the founders of this university, we don't have to wait to act until we're certain of success. What matters is that we take responsibility, right now.

When I look around, I see that Europeans are ready to do that. I see people in all walks of life asking themselves, what can I do to stand up for our values?

Amid the horrors of terrorism, which hit Europe again in the last few weeks, we saw people's determination to defend their way of life. Not to let those awful events define who they are.

When women found their rights under threat, we saw them come together to fight back. Earlier this year, some five million people around the world marched in defence of those rights.

In the Netherlands and France, when people felt that politics as usual had let them down, we saw them come together in support of fairness and equality.

And just last week, I was at the launch of an organisation called ALL for Democracy. It brings together business groups, trade unions and civil society, united by their determination to defend our democratic way of life.

Because our European values are as powerful as ever. People want to live in freedom. They want to trust their neighbours. They want a world that's fair, which gives everyone a chance.

Europeans are ready to take a stand for those values. Let's all join together to make them a reality in our daily lives.

Thank you.

MARGRETHE VESTAGER



Margrethe Vestager was born on 13 April 1968 in Glostrup, Denmark. She graduated from the University of Copenhagen in 1993 with a degree in Economics. Vestager has been a professional politician since the age of 21, when she was appointed to the central board and executive committee of the Danish Social Liberal Party (Radikale Venstre) and its European Affairs Committee. Vestager served as a Member of Parliament for the Social Liberal Party from 2001 until 2014 and she was the political leader of her party from 2007 to 2014. She served as Minister of Economic Affairs and the Interior from 2011 to 2014. Among others, Vestager forced through deep cuts to unemployment benefits in Denmark's generous social welfare.

In October 2014 Vestager was appointed as European Commissioner for Competition in the Juncker Commission. Since then, she has moved decisively on a number of major antitrust cases like the ones against Gazprom and Google. Besides, she has ordered Ireland to recover as much as 13 billion Euros from Apple as part of a broader crackdown on tax avoidance.

On 15 February 2017 Vestager received a doctorate honoris causa from KU Leuven for her 'firm policy on competition and government support within the European Union' and especially for her 'specific attention to the ethical dimension of the behaviour of companies and governments.' On 20 April 2017, Time Magazine proclaimed Vestager to be one of the 100 Most Influential People in the world.



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