

We want a new EU!

Eighteen years ago, Sweden joined the EU. In many ways, membership brought great gains: we can travel, trade and work freely with each other within the Union. Sweden became an active partner in a Europe that spent the last century amid destruction and ravaging wars. A new Europe has chosen a collaboration that contributes to peace and trade among 500 million people.

But since 2008, the Union has been in crisis mode. It is becoming clearer by the day that good intentions and visions are not enough. The Union's main struggles concern the single currency, and a quarter of young people are unemployed in several member states. In Spain and Greece, the figure is even higher - over 50%. Given our tradition of welfare and security, the looming demographic challenges will be hard to manage if we do not take precautions. Meanwhile, the democratic deficit is increasing - also in the EU.

Therefore, we have teamed up with the leading think tank Open Europe, and entrepreneurs and business leaders in the UK and Germany, to challenge the powers that be in Brussels to think outside of the box, boldly, about serious reform of the EU: an EU that will provide a more workable framework, politically,

economically, and socially, for a future that is likely to be even more unsure and uncertain than ever before.

We want to see:

A citizens' Europe: The Union has a clear democratic deficit. Despite lacking a mandate from voters, the European Commission gets ever more powerful. The EU needs reform so that voters can understand decision-making, and discern clear responsibilities. We also need to fully implement the subsidiarity principle, whereby decisions should be made as close to citizens as possible. In recent years, in the collected volume of the EU treaties, power has been shifted to Brussels, but people were not allowed to vote on this matter. National parliaments are one of the cornerstones of democracy. In some cases, collaboration between countries makes sense, but when it comes to buying apples, how Sweden should generate its electricity, the working hours of Swedish doctors, or the exact levels of welfare newcomers from other EU countries should be paid in Sweden, decisions are better made in Sweden.

European countries have different systems, climates, value systems, business and service sectors and traditions: this should not be seen as a problem, but instead creates

valuable diversity. Europe's wealth grew out of its history of enlightenment, trade and competition.

A growing Europe: German Chancellor Angela Merkel sometimes says that the EU has 7% of the world's population, 25% of global trade but 50% of all welfare costs in the world. In five years, the EU's share of world GDP will be 60% of its level in 1990. Part of the explanation is exponential growth in Asia, which creates opportunities for us all and is a wonderful example of the poor of the world finally starting their rise out of poverty. But the European challenge is to ensure that the relative decline does not become an absolute one.

Europe is at a crossroads, yet its leaders seem to lack the strategies for growth and dynamism, which are essential to maintain a decent welfare system in our country for the future.

Together with our co-signers in Great Britain and Germany, we employ more than one million people. Our concern is that Brussels focuses too little on trade, instead spending its time on petty restrictions on enterprise, which hit small and medium-sized businesses especially hard. We strongly advocate more free trade agreements with the US and Asia,

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but also with the developing world that wishes nothing more than to get out of poverty through trade and entrepreneurship, just as we once did.

More than half of the regulatory costs a small business carries are connected to the EU. The collective cost of EU regulations amounts to around €160 billion a year, slightly less than the GDP of Finland and roughly equivalent to that of Ireland. We need an EU that regulates less and better. A powerful initiative would be to remove the barriers to trade that exist for service industries that wish to expand into and across Europe. This would develop the service industries in individual member states, and could, in a short time, lead to extra EU GDP growth of 2.3% a year, according to Open Europe research.

A more cost-effective Europe: In a globally competitive world, companies need to keep a watchful eye on costs, and ensure that

money is being used where it creates real leverage. But when it comes to the EU, the understanding that money should be spent to create maximum value for European citizens seems to be lacking. During the 18 years of Swedish membership, EU spending has not been approved by EU auditors once. If we ran our companies in the same way, our shareholders, customers and clients would complain very loudly, and rightly so. But when it comes to the EU, people seem to have given up. Brussels seems far away, beyond our control. This apathy is unworthy of a democratic society.

At this critical point in time, when 26 million Europeans are unemployed and our prosperity is at stake, the EU is lost in the past, rather than moving forward. Some 40% of the EU budget is spent on agricultural subsidies, with money being paid to landowners, who, in many cases, do no farming whatsoever. Some 30% of the budget goes to region

al subsidies, where relatively rich countries shuffle money to other wealthy countries' regions, via an expensive transfer mechanism in Brussels. Meanwhile, the areas of the EU budget that could foster future wealth creation are kept to a minimum. Trade gets a meagre 3%, and Research and Development gets only 5%, despite it being a key engine in developing new jobs and products for Europe. The EU budget simply needs an overhaul, in an unsentimental way, so that creating value for European citizens is the guiding principle.

In-depth work is needed to change the EU. Heading into the European elections next year, we are now calling on fellow entrepreneurs and business leaders, opinion formers and others to join us in asking for thorough change. We want to see a more democratic, growing and cost-effective Europe for the future. We simply believe that a better Europe is worth fighting for.

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