The Political, Economic and Social Situation in the EU

Meeting of the EU-Brazil Round Table

SPEECH

by

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Dear friends and colleagues:

- As I am the third speaker representing the Groups at the EESC, I fear that much has already been said, but I would like to add a few comments;
- For today, the EU is undergoing very serious socio-economic and political challenges, which have direct repercussions not only on European citizens, but on the rest of the globe;
- For our world has become so interconnected that we share each other's difficulties, but I also believe that we can learn from each other as partners;
- And I particularly have in mind the social economy sector in both Europe and Latin America, where much can be learnt from each other;
- I will come back to this topic of the social economy, but firstly, to remind us all that in Europe, we are living through an acute economic, political and social crisis, which has seriously risked the entire European project;
- And although I believe that we have averted an implosion of the Eurozone and the Euro, and that we are starting to see some signs of stability, there is still a great deal yet to be done before we will reach economic growth in Europe, and an even longer period until we reach job creation;
- For after five long years of austerity, we currently face unemployment levels which are the highest in twenty years;
- Recent figures released by Eurostat reveal that the average unemployment level for the EU27 reached almost 11%;
- Putting this in 'human' terms, this means that over 26 million persons in the EU27 are unemployed, with our young, Europe's future at the forefront;
- In some countries unemployment has reached as high as 26% of the adult population, and in at least two Member States, youth unemployment is almost 57%;
- The result of this triple economic, political and social crisis is on the one hand a fervent attempt to make Europe and its architecture more effective, more resistant and more cohesive;
- On the other hand, there is a wave of fierce national criticism of the EU, there is rising demagogy and political extremism, alienation, mistrust and fear among Europe's citizens;
- And how could it be otherwise, when a recent report of the IMF (Working Paper 'Growth Forecast Errors and Fiscal Multipliers'), clearly states that there have been huge errors in the calculation of the impact of the austerity measures on European economies;
- Put simply, it was found that there will be less growth in countries which carried out the greatest fiscal cutbacks, with Greece at one extreme and Germany at the other;
- So clearly, we need to ask the question of whether we are doing enough to ensure that there will be a European Union in the future?

- But moving away from the difficulties facing Europe and onto the solutions, in my opinion, one area where there are considerable opportunities for socio-economic
development, for social innovation and for an inclusive labour market in Europe, is in the field of the social economy;

− And I am mentioning this sector specifically, as I know that it is one which is very well developed in Latin America, and hence, we can learn from each other;

− I also note that in the final declaration of the meeting of the EU-Latin American civil society in Santiago of Chile in December of last year, the social economy was one of the principal topics;

− For the social economy is able to both prevent poverty and to eradicate it, through a fairer distribution of income;

− And social economy enterprises are truly drivers of social innovation, employment creation, sustainable growth and cohesion, notably at the local and regional levels;

− They are able to do this by introducing new and flexible tools for service provision and rapidly innovating in products, processes and organisation;

− Crucially, the social economy strives to serve the 'general interest' of society and provides employment opportunities and services to millions of individuals, including but not limited to marginalised and disadvantaged persons;

− Of course, despite the fact that there are globally some 1 billion persons who are members of cooperatives and that in Europe alone, the social economy employs 14 million persons, the sector is not without difficulties;

− Arguably, the potential of the sector is still untapped due to regulatory, political and cultural barriers; and of course also because there is still limited public awareness of the potential of this sector;

− I could perhaps add that the Various Interests Group organised a large scale conference on social economy enterprises at the end of last year, to commemorate the 2012 International Year of Cooperatives;

− Moreover, we had commissioned a study on the state of the Social Economy in the European Union, which was also published at the end of last year;

− What we see from this study is that the social economy not only constitutes an important pillar in terms of employment and social cohesion across Europe, but which is also central to achieving the goals of the Europe 2020 Strategy;

− For example, we now know that the social economy is responsible for over 14 million jobs throughout the 27 countries which are members of the European Union;

− Of these 14 million jobs, 4.5 million are in the cooperatives sector;

− But we also had reconfirmed that the social economy is a sector which is able to combine profitability with social inclusion and democratic systems of governance, working alongside the public and private sectors in matching services to needs;

− Crucially, it is a sector which has weathered the economic crisis much better than others and is increasingly gaining recognition at the EU level;

− Nonetheless, much still needs to be done in increasing the understanding, in raising awareness and in building public trust in the sector;

− A first step in this process is to fully comprehend the scope and scale of the sector within the EU and for this reason it was necessary to revisit the facts and figures;
– In particular, we must continue to highlight the role of the social economy as a solution to the current socio-economic crises and as an instrument for change;
– But at this point I will stop, as I would also like to hear the views of our friends from Brazil on what role they see for the social economy as a solution to socio-economic challenges and poverty eradication;
– Thank you for your attention.