

Europe That Grows Out of the Eradication of Poverty

By Quarto Mondo Italia

SPEECH

by

Mr Luca JAHIER

President of Group III 'Various Interests'

of the

European Economic and Social Committee

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Ladies and gentlemen:

- It is with great pleasure that I am here with you today to discuss the topic of poverty in Europe, how Europe can 'grow' out of poverty eradication and the links to the identity of the 'Europe';
- I understand that our discussions are to be stimulated by the writings of Father Joseph Wresinski, who wrote in 1987 a text which one could be forgiven for thinking that it was only written last week!
- For the danger of poverty in today's Europe is very real;
- A financial crisis has become an economic crisis, then a social, political and finally, a crisis of democracy and humanity;
- With so many concurrent crises, underpinned by austerity and the absence of growth, how can Europe reduce poverty on the 'old continent'? And how can we persuade our politicians and citizens that it is in Europe's interest to continue to combat poverty beyond our borders, beyond Europe? For if we think back to the Declaration of Robert Schuman in 1950, the concept of assistance and poverty reduction at the international level is very much present;
- So in today's presentation, I would like to begin by making some general comments on the state of poverty in Europe and how this impacts our identity. Secondly, I would like to concentrate on poverty as a result of youth unemployment and how this can be combated. Finally, I would like to discuss the external dimension of poverty reduction through development cooperation and how this has shaped the identity of the EU. For unless this is clearly explained, it will be very difficult for European citizens to comprehend the benefits of spending millions of Euros on helping non-Europeans.
- 'Poverty' is a complex concept, encapsulating unemployment, illiteracy, homelessness, indebtedness, child poverty, elderly poverty, etc, etc;
- Indeed, the EU poverty indicators adopted in 2010 cover three different definitions, which can be used independently and which result in the calculation of different numbers of poor in the European Union!
- The most common definition is that of 'relative poverty', i.e. of being at risk of poverty (living in a household with an income below 60% of the national median);
- But there are two other definitions: firstly of 'suffering material deprivation' (living in conditions constrained by a lack of resources). Secondly, 'living in a household with low work intensity' (where adults worked less than 20% of their potential, in the last 12 months);
- In summary, according to the latest Eurostat figures, in Europe today 23.5% of the population is at risk of poverty and social exclusion (almost 116 million Europeans);
- Moreover, again according to Eurostat, 80% of Europeans believe that poverty has increased in their own country in the last year (up to 97% in Greece and 93% in Spain);

- 18% of respondents declared that their household ran out of money for essential goods and services in the last year (up to 45% in Greece and 34% in Hungary);
 - 21% of respondents have difficulty in keeping up with household bills (73% in Greece);
 - And 18% do not think that they will be able to keep their jobs in the next 12 months;
 - So clearly, we are a long way from implementing the commitment of the Europe 2020 Strategy, to reduce the number of people at risk of poverty by 20 million, by 2020;
 - And clearly, the austerity programmes resulting from the economic crisis have resulted in many more poor in Europe (in Athens alone, in the last 12 months there are now 20,000 new homeless people);
 - And this bodes the question of what type of society we are espousing? Whether we are prioritising markets over people, whether there is sufficient emphasis on growth and equity in the severe fiscal discipline measures that so many European governments are introducing?
 - However, it also has to be recognised that poverty in Europe is a structural problem and a generational problem, which has been aggravated by the crisis. One important dimension of poverty is youth unemployment and I would like to address this issue in the second part of my presentation.
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- According to the most recent statistical data of the European Commission, the unemployment rate of young persons aged 15 to 24 currently stands at 22%, increasing to 50% in Spain and Greece. This compares to the ILO figure of 13% of young persons *world-wide* who are unemployed. So Europe is particularly prone to youth unemployment;
 - The question is why, and we need to firstly look for answers in the education systems and employment markets;
 - Arguably, if we are to better adapt our education systems to reflect the needs of contemporary society, then this is a process that should be reflected in *all phases* of education, starting with primary school, followed by secondary, tertiary, vocational training and lifelong learning;
 - We must also consider the job market of the future: according to the European Commission, by 2020 more than 1/3 of jobs in the EU will require high skills and the three sectors which will have the greatest job potential will be the green economy, the health sector and ICT. The green economy alone is expected to generate over 20 million new jobs in the next ten years;
 - With this knowledge, two things are obvious: firstly, that public funding to educational establishments needs to increase to take into account these upcoming sectors;
 - Secondly, that students should be advised to acquire the relevant skills. We currently have serious skill and geographical mismatches in the European labour market and it is crucial that the skills requirements are *well assessed and well managed*;
 - Central to this process is a much better cooperation between the private sector, civil society, schools and universities. We need much more work experience and better communication on the skills needed by businesses. Moreover, it is likely that active

- labour measures to encourage business will be necessary, for example, training subsidies or tax cuts to motivate employers to hire young people;
- But beyond these factors, job creation will be encouraged in Europe by increasing the *adaptability* of workers for example through better language training;
 - It will be helped by addressing administrative obstacles to mobility for education, traineeships, apprenticeships and full time employment;
 - It will be encouraged by innovative initiatives such as the European Skills Passport, which will validate non-formal learning and increase the visibility of skills acquired outside the formal educational system. Many other good EC initiatives could also be mentioned, including the launching of the first phase of the 'Your First EURES Job', a project which strives for cross-border mobility through an embryonic pan-European employment service;
 - Before ending this part of my presentation, I would like to stress that although the crises have made youth unemployment an increasing priority for national and European policy-makers, much to my regret, the education budgets are being severely cut in Member States and funding for job creation is too limited to deal effectively with the scale of the problem;
 - But perhaps the impact of the crisis on youth unemployment can also be seen as an *opportunity* for young persons to become what the Europe 2020 Strategy had intended. That is to say: autonomous and engaged actors, involved in the *implementation* of policies. For our present and our future is in their hands!
 - Without taking up too much of your time, I would now like to turn to the final part of my presentation, which will address the external dimension of the EU's campaign for poverty reduction;
 - I would like to start by quoting from the Schuman Declaration, which called for the creation of a "*de facto solidarity...solidarity in production....(and this) production will be offered to the world as a whole without distinction or exception, with the aim of contributing to raising living standards and to promoting peaceful achievements. With increased resources Europe will be able to pursue the achievement of one of its essential tasks, namely, the development of the African continent. In this way, there will be realised simply and speedily that fusion of interest which is indispensable to the establishment of a common economic system; it may be the leaven from which may grow a wider and deeper community between countries long opposed to one another by sanguinary divisions.*"
 - Although written some 62 years ago, before the era of globalisation, international trade and the internet, these words echo truths on the identity and interests of Europe;
 - The objectives and values are to be re-found in a quotation of Romano Prodi in 2000: “We must aim to become a global civil power at the service of sustainable global development. After all, only by ensuring sustainable global development can Europe guarantee its own strategic security”;
 - In effect, over the decades this outward looking philosophy has resulted in the EU becoming the world's largest global economy, the most important provider of

- development assistance, a very strong proponent of the WTO Doha Development Agenda and a leader in supporting global sustainable development and environmental strategies;
- We can speak of an EU identity as a global civil power (quote of Solana in 2003): : “Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the international order”;
 - To this can be added the concept of participatory democracy, even in the EU's external relations. One only needs to think of the provisions for the involvement of non-state actors in the implementation of the Cotonou Agreement, or the Civil Society Consultative Committee in the EU-CARIFORUM EPA, or indeed the EU-Korea Free Trade Agreement, signed in 2010, which includes a chapter on trade and sustainable development (Chapter 13);
 - So throughout its history, the EU has directly linked its external role on poverty reduction with its identity and its values. And this has directly translated into global strategies.

 - Ladies and gentlemen, I have tried in this presentation to cover three angles of poverty: the general context of poverty in the EU, the specific dimension of youth unemployment and means to combating this, finally, the external role and activities of the EU as a key global player in trade and poverty reduction;
 - All of the above are inter-connected and all have been negatively impacted by the economic, social and political crises that we are living through;
 - But I am convinced that the EU will emerge from these crises even stronger and with its identity and values strengthened.