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Greece and the EU: from economic austerity to social growth

Is it possible for Greece to overcome both the crisis and its harsh social consequences? On 20 March 2014, the European Economic and Social Committee (EESC)\(^1\) hosted an EU conference in Athens (“From Austerity to Growth and Recovery”) which brought together representatives of the EU Institutions, the Greek authorities, civil society, as well as the media.

The conclusions were clear: there is a strong need for solidarity, cohesion, legitimacy and democracy at European level. If the Union is to move forward towards recovery and sustainable growth, it needs to invest in a mutually stronger Europe.

Reinforcement of legitimacy
If we want to increase the political legitimacy and democratic accountability of the Union, the focus should shift towards building and re-building trust between politicians and citizens, between the national and European levels, as well as between the economic, social and political levels.

"The EU must develop a new European Social Action Programme which would set clear and tangible targets and explore the right of European citizens to a minimum guaranteed income to be set by each individual country," stated Luca Jahier, President of the Various Interests Group of the EESC.

He also supported the idea of making the activities of the Troika accountable to the EP and of giving the European Commission responsibility for assessing the socio-economic impact of the austerity programme.

Stimulation of Growth
The participants agreed that Europe's immediate objectives should be job creation, support for the economy, increased competitiveness and poverty reduction. They welcomed the EU's proposal to provide alternative financing for SMEs through the launch

\(^1\) The EESC is an EU institution and the 'bridge' between European policymakers and organised civil society.
of an SME Initiative co-funded by the Structural Funds and called for the re-capitalization of the European Investment Fund to enable it to provide SMEs with development capital.

**Promotion of Innovation**
There is a need to invest in the re-industrialisation of Europe, innovation, research and development, as well as in the most performing sectors; in the case of Greece, this means tourism, solar energy and maritime policy.

Furthermore, the participants concluded that support for social enterprises and the green economy should be mainstreamed into all EU policies, while effective and coordinated strategies should be implemented at European and national level.

“Greece is showing impressive recovery results thanks to the sacrifices of its people. We have now reached the point of primary surplus. It is time to boost social cohesion, support weakened social groups and create economic growth. The truth is that some Greek social groups have suffered a 25% reduction in their income, while youth unemployment is also a big challenge. To overcome the economic and social crisis, Greece needs to boost investment and entrepreneurship”, summarised Evangelos Venizelos, Deputy Prime Minister and Minister for Foreign Affairs of the Hellenic Republic.

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The European Economic and Social Committee represents the various economic and social components of organised civil society. It is an institutional consultative body established by the 1957 Treaty of Rome. Its consultative role enables its members, and hence the organisations they represent, to participate in the EU decision-making process. The Committee has 353 members from across Europe, who are appointed by the Council of the European Union.