

EUROPEAN CIVIL SOCIETY DAY 2014
'Beyond Agendas and Manifestos: What Europe for Us?'

SPEECH

by

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Ladies and gentlemen:

- It is truly a pleasure to be with you today at this Civil Society Day in such a crucial year;
- For 2014 will undoubtedly be a year of change, of democratic scrutiny and accountability;
- 2014 will be a *pivotal* year in the history of the European Union;
- Ultimately, the question both for this conference today and for the European elections in 2014 is 'What sort of Europe do we want?';
- Certainly we do *not* want a Europe only of austerity;
- What we *do* want is a Europe which is strong and competitive, but also social and cohesive;
- In these times of crisis we must find the right balance between the economic and social dimensions;
- In 2014, the principal objective must be to *build or re-build trust between citizens and politicians*, between the national and European levels, between the economic, social and political fabric of our societies;
- Crucially, trust will be re-built by *delivering results* and by *better communicating Europe to its citizens*;
- For despite the projections of 1.2% growth for the Eurozone in 2014, Europe continues to face the threat of anaemic growth and possible stagnation, because of low investment and low credit availability, protectionism by emerging countries and structural high unemployment;
- Stagnation and unemployment are particularly grave challenges, as unemployment remains at record levels (10.9% in the EU 28 or 26.5 million individuals) of which 5.6 million are young people;
- In addition, there are now fears of deflation setting into the Eurozone as the consumer price-inflation has dropped to 0.7%, the lowest since 1999;
- The result is of course increasing inequalities, continuing divergences, fragmentation of the European markets and of course, political risks;
- For let us not forget that at the last EP elections in 2009, only 43% of Europeans participated;
- I think it is fair to say that at this year's elections we are likely to see even lower rates of participation;
- Moreover, according to estimates it is expected that extreme parties will claim between 16% and 25% of the votes, up from 12% in today's European Parliament;
- In France, 55% of students say they would consider voting for the Front National because of worries over immigration;
- And in this new era of identity politics, linking the problems of Europe with those of immigration, playing on nostalgia and tapping into concerns about globalisation, traditions, borders and the inability of countries to avert job losses have become the norm;
- What is clear is that policy *does matter* – it is not only up to the markets to solve our problems;
- So going back to my question: what sort of Europe do we want and how are we going to achieve it?

- There are certain basic elements which need to be addressed in order to put Europe back on the path of sustainable development;
- Firstly, we need to find the right balance between austerity, fiscal responsibility and growth-promoting measures;
- What is needed now is for the banks to re-start lending, notably to SMEs which are the backbone of the economy and labour market;
- At the European level we must urgently progress towards establishing the banking union and the European Central Bank must begin supervising all European banks in the Autumn of 2014. Similarly, the rapid introduction of the Single Resolution Mechanism is imperative;
- We must complete the Internal Market, implement the Europe 2020 Strategy and the Compact for Growth and Jobs. Priority should be placed on taking advantage of the single most important benefit of European integration, namely: the free movement of goods, services and people. And this implies investing in re-industrialising Europe, in innovation, research and development;
- Crucially, it is imperative to help the young and the unemployed. One solution would be to increase the scope and available funds for the European Youth Guarantee Scheme, and to provide more than the 6 billion Euros currently earmarked;
- We must also upgrade vocational and technical training and forge closer links between companies and schools in order to avoid 'brain waste' and skills mismatching. We also need European –level efforts to validate non-formal learning and to increase the visibility of skills acquired outside education;
- But if we want to give unemployed persons a chance of re-training and inclusive participation in society, then we should introduce a European Education Network for Unemployed Workers, which would offer unemployed persons the opportunity of a two-year educational programme and cross-border education vouchers;
- I would like to add that the Single Market and the possibility for mobility within the EU should be part of the solutions. But in reality, there are still many obstacles to mobility in Europe;
- However, all of the above must be complemented by growth and equity promoting measures, by a social compact, inter-generational solidarity, poverty reduction, inclusiveness and the sustainable and efficient use of resources;
- And I would like to take this opportunity to stress that the EU must develop a new European Social Action Programme which would set clear tangible targets and explore the right of European citizens to a minimum guaranteed income. We need more socially responsible investment, for example, through the establishment of European Social Bonds, to be sponsored by individual citizens, businesses, trade unions and wider civil society.

- Ladies and gentlemen, I would now like to take up the second part of my presentation which relates to a Europe of active citizenship and a Europe of change;
- For if we are going to design a Europe which is more participatory, more inclusive, more legitimate, more transparent and more effective, then we need to include new actors and to support them;

- We particularly need to invest in social capital and social innovation, by directly involving a multitude of civil society actors in Europe's recovery. For example, SMEs, the liberal professions, the green economy, social enterprises, etc;
- It is time to invest in a new normality and in a new Europe where all players need to look at growth and value creation from a wider perspective, by including social indicators and demonstrating positive social impact when reporting social and economic progress;
- The EU has made some attempts in this direction through a limited social dimension to EMU. But a great deal more still needs to be done in order to convince citizens that the EU can also speak the voice of solidarity, entrepreneurship and cohesion;
- Social enterprises in particular can be a creative, a dynamic and innovative force for rebuilding Europe post the crisis and that this could be a more equitable Europe more in line with the vision of the EU 2020 and closer to its citizens;
- As Commissioner Barnier stated during the January conference in Strasbourg on Social Enterprises: the Europe of 2008 simply does not exist anymore and it is time that we started taking action for a new Europe and a new model of European growth;
- How could this be done?
- Both the Strasbourg events and a conference organised in 2012 on social enterprises by the Various Interests Group called for social innovation to be embraced, for the real economy, SMEs and social enterprises to be actively supported through financial and legislative means, capacity-building, research and public-private partnerships;
- Moreover, the participants in Strasbourg argued in favour of mainstreaming social enterprises into all EU programmes, for example, into enterprise policy, the Structural Funds, the post-2015 Development Agenda, SME programmes or innovation programmes such as the Horizon 2020;
- Links were also made between social enterprises and the Single Market, for example, through cross border cooperation, the creation of a European Statute of Mutual Societies or the revised Public Procurement Directives;
- Crucially, in Strasbourg there was recognition that social enterprises can be used to support youth employment and youth entrepreneurship;
- As local and regional actors they have far greater proximity and knowledge of the local circumstances and they are much better placed to pioneer innovative solutions quickly;
- Of course this necessitates involving social enterprises in the planning, implementation and execution of economic and social policy, something that perhaps national public authorities are not yet prepared for;
- What is certain is that the Europe of tomorrow has to be one of balanced growth, where the three pillars of sustainable development, the economic, social and environmental, move forward in parallel;
- If this is not the case then not only will Europe not progress, but we will actually be going backwards!