

Let's Talk Happiness: Beyond GDP

Final remarks by President Luca Jahier, 10 June 2014:

Thank you Jacki for your introduction! The real question here is: "Are you happy"? The fact that this room is still so crowded must mean that you are all happy, if not exhausted!

Just a few words in conclusion: today a very rich debate has taken place here. As President of Group III, I am also very pleased with all the excellent contributions we had had to the debate and for the success of our chosen title for the conference. Although we were criticized by some, the title did open up possibilities for debate and that was the main goal we hoped to achieve. I am not a fulltime active journalist, in so far as Jacki is, but I used to work as a journalist, and I know that when you have to choose a title for an event, you do it in order to open the discussion and raise interest in the topic. The title and the subtitle were chosen for this reason, specifically to make room for debate.

We do not want to be over romantic – although it is a very nice thing – but politicians have to be more concrete. And not being romantic means we have to start listening to the real pragmatism of people. People in the real world: citizens, families, social and economic actors, enterprises, professions, local authorities, local communities, experts, journalists (sometimes capable of listening and then re-transmitting to people) and even politicians. Let's start with people in the real world. We know, as it was said very clearly by the representative of *Eurostat*, that good answers always depend on good questions.

So, try asking the "concrete people": "do you want to be rich or poor"? "Do you want to have a house or not"? "Do you want to go on holiday or not"? "Do you want to have access to a good health service or not"? "Do you want – referring back to a comment made this morning – to have the freedom to work, or do you want to have temporary and very badly-paid work"? "Do you want to be capable of making your dreams and expectations come true"? Do you want to pay for good schools for your kids' education (either private or public school, you always pay through taxes)"? Finally: "do you want to be happy, or not"? And all people are perfectly capable of giving a clear answer. An answer they deliver every day, every week, every election. And very often they are also able to answer the second question "how?"

So many good ideas can come from people: maybe ordinary people cannot elaborate complex five-years plans, but how many five-years plans have failed? Too many! Also, in our democratic and open-market space, people are able to deliver solutions, if there is room for them and a clear direction is chosen.

For sure, money cannot buy happiness, but the opposite is also true. Without money, "there is no party"! French people use to say "without money you can't make war", while the Italians are more romantic, and say "without money you can't make love". You cannot pay for happiness, but if you don't have money... you can smile sometimes, but you also need money.

So, at this stage we don't want to go anymore into any ideological or moralistic approach: GDP alone, GDP plus, GDP and Beyond, Beyond GDP... there is a lot of on-going discussion, which probably will go on and on. Some people want much more, immediately with new paradigms, someone else could look for some small indicators that can complement GDP. For me, the essential thing is to move away definitely from the era when GDP and nothing else existed. Because we are coming from that era, we are still stuck in it.

The Commission has finally struck a small compromise with the Council that accepted to insert in the Semester the official scoreboard, but then it was made clear that that was only for the minutes, not for policies. We are still trapped in a double constriction: the obligation to respect the 3% of the maximum debt spending, and the fact of looking for almost 1% of growth per year. We don't have to ignore these indicators, we simply have to move on from this! The limit for deficit and expenditure can be revised, looking for GDP growth, but we have to close this era: GDP in public spending and austerity, and nothing more.

In this respect, I particularly like to report Herman Van Rompuy's words: "step by step we go far". But of course we have to make some steps, to come out from this GDP-and-nothing-more. And we have to say that this is possible! Of course I understand that when discussing with Angela Merkel, Wolfgang Schauble or Ollie Rehn, GDP is a very concrete issue, but it is not true that the 25 pages of other indicators are only 'literature'. As Professor Giovannini clearly pointed out this morning "if it is difficult to measure happiness, please try measuring GDP"! That was very clear this morning: after ten years of reflections, meetings, debates, very important work by statisticians, experts and many international organisations such as Eurostat, UNECE, OECD, now it is clear. We even have too many indicators, even after the HDI: I hear that more than a thousand indicators have been developed over the last years.

Perhaps, the fact is that we simply need to make choices, selecting just a few of them. That would be a major challenge, but we must say that GDP is not the only "objective" indicator, while all the others are literature. That's simply not true. Maybe there are too many indicators, but it would be sufficient to choose some of them, as a starting point.

Now we need to take the agenda forward, because the demand for new paradigms and perspectives is clear, coming from many areas. In addition, and I want to make it clear again, we're not dealing with a dream coming from idealistic people. It is indeed a concrete opportunity in our macroeconomic situation in order to find new long-term drivers of employment and growth. This morning we were reminded of the *green economy* issue: when the first people started talking about the *green economy*, in the 80s, they were deemed to be very strange people. Now we expect it to create 20 million jobs, and we can head in many different directions. Let's take social economy, for instance: 10 years ago the European Commission cancelled all initiatives on the social economy, now we just came from Strasbourg, when it was recognized that social economy enterprises have been the most resilient in the crisis and that they are capable of delivering jobs, new forms of long term sustainable growth, social and territorial cohesion.

An my fourth point: it is time now to deliver concrete solutions. The next step will be: "let's go. Stop talking and let's go!" And here we have very concrete proposals: the Europe 2020 Strategy and the revision of the European Semester. I think we have to fundamentally revise the European Semester, although I am not very happy with the idea of opening another separate process.

Here's the challenge: the mid-term review of the Europe2020 Strategy. The Strategy has been a large plan adopted by all EU Member States and approved by the European Parliament: there is a consensus on this. Indeed, we can revise it and implement it, also using the new framework for the next European Semester. That's very clear: we don't need to revise the treaty or anything else. We can achieve this concrete goal in a perspective of re-balanced and pluri-dimensional growth that must also of course include fiscal responsibility

I don't want to be romantic: but we need fiscal responsibility. For Italy, my country too, we absolutely need it, because it indicates solidarity towards the next generations, our children, and the sustainability of our growth. But this must be directed towards the inclusion of citizens and social and environmental goals.

So the main three pillars of this process could be: the re-balancing approach, restoring confidence and long-term sustainable growth, and making use of innovation for new paradigms of progress. The fourth element would be the democratic implication: it is a big challenge, as already discussed, and a very risky and complex matter. And it is very risky because it's easy to block the process, indeed, but it is also a very vast domain of work. But the good news is that it has already been possible, many times in the past years.

Let's think about what happened in France – and we should thank French authorities – with the Sarkozy proposal on the “Grenelle de l’Environnement” after the Stiglitz Report. It was not merely a matter of reports and talking: it was a real process, managed by the State, but not controlled by it. The State has insisted, coordinated and accompanied the process, but it also included civil society, local communities, economic actors, local authorities, thus producing two main effects: a constitutional change (the French Economic and Social Council that has been transformed in an also Environmental Council), and two legislative packages producing the effect that many issues had to be directly discussed in the Parliament. So we are dealing here with major changes: no other Country in the world has done something like this.

In conclusion, and that's my last proposal, we need three proposals for the next EU-trio Presidency at the beginning of July (Italy, Latvia and Luxembourg), for the European Commission and the Council of course. The first thing is to organise a large EU public debate on the revision of EU2020. We are working with Stefano Palmieri on this process in Rome for next December, but that's not enough! We have to use this opportunity, something which was not done during the European elections, to open the debate in Europe, to consult with people and to include their expectations and energy, in order to transform this strategy into a strategy that is shared by people.

In this regard and this is the second proposal, why not prepare, for next September 2015 a presentation of the State of the Union, a new parallel process to the state of the Union. We can do it, we have so much experience. We can use Article 11 of the Lisbon Treaty. Why only the President of the Commission's report and not another parallel process, taking into account what people, citizens, families, enterprises, consumers, unions and civil society organisations really think about the state of the union?

And my third proposal, in order to be concrete - why not establish a regular impact assessment on EU policies, on quality of life and well-being, using these indicators? Why don't we propose this, thus creating a movement that will ask the Parliament, the Council, the Commission to do it, using the network of social actors in the different Member States, to participate in this and to create these participative impact assessments. They could accompany and integrate the work done by governments, experts and the European Commission and provide larger results.

Finally, I would really like to thank all of you for your presence, passion and contributions, and above all the role played by the speakers today.