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## **The European Union ten years from now – A critique on the Europe 2020 Strategy**

The year is 2020. Forty-five year old Kristine is working as an engineer on an enormous wind farm in the North Sea. Only ten years ago she was a metalworker who had just lost her job due to the economic crisis. However, as a result of her national government's reform programmes, through implementation of the Europe 2020 Strategy, she was retrained to work in the renewable energy sector and now has a decent wage and a stable future. That is my hopeful vision on how the EU, over the next ten years, can make our lives better. This hope is not idle speculation. The policies that will have an impact in 10 years are being formulated as we speak. This is the so called 'Europe 2020 strategy'. Unfortunately, one can question whether these policies will have the desired result. Under the current form of this strategy as adopted in June, and the current political and economic context in which it is supposed to be implemented, there is less reason to be so optimistic.

The strategy, which is a long-term framework on the European, national and regional level, was intended to tackle a wide range of issues including economic, financial, employment, social and environmental policies. Regrettably, this strategy has some severe defects that need to be speedily corrected if Europeans are to truly benefit from it.

To begin with, the goals set out in the strategy are not underpinned by sufficient financial and political means. The actions taken so far to handle the economic crisis contradict long-term sustainable thinking. Instead of investing in people and in viable projects, governments are calling for draconian macroeconomic measures to decrease public debt. Europe is dealing with the biggest economic crisis in living memory. This is affecting millions on a daily basis through the scourge of unemployment. We must make sure that people like Kristine are not put on the employment scrap heap. The recovery from this crisis must be measured in jobs created. To do this, to make economic recovery real, we need public investment, not destructive cuts. The current political environment, in which the Europe 2020 Strategy has been framed, only offers fixation on budgetary consolidation. Indirect pressure is therefore applied to national programmes as the strategy links reporting duties to budgetary timetables.

The strategy is also missing the opportunity to directly address two of the main causes of the economic crisis – namely the poorly regulated financial services sector and the lack of European economic coordination. The Party of European Socialist (PES) would

strongly advocate for robust rules for a more efficient and transparent financial sector, and an economic governance that is not simply measured in punishment lists for the economically weak. In addition, before we begin the next ten years of EU development, all politicians must recognise that it is simply not feasible to have a European monetary policy without the commensurate economic measures.

While the PES family has successfully managed to retain the targets for poverty reduction and education, despite resistance from the conservatives, we think that the Strategy lacks ambition to address issues other than economic growth. Economic governance should be in balance with social and environmental policies. These are areas that are suffering the impact of the crisis to an alarming degree. The conservatives would prefer to leave it up to the markets to solve these problems, but we believe that this would result in increased unemployment, social exclusion and damaged social security systems.

Unemployment is a symptom of recession that can continue even after productivity starts to grow. I believe that rising unemployment in times of crisis can only be avoided by actively supporting job creation. This is an aspect largely overlooked in the current Europe 2020 Strategy. Especially in the green growth sector, many new jobs can be created if the right measures are implemented, ranging from construction jobs through retro-fitting housing to high-quality engineering jobs for renewable energies. If people like Kristine are to have a fair chance, public support for measures such as these has to start right now. Pension systems, health protection and benefits for the disadvantaged in our society have come under increasing pressure as a consequence of austerity measures slashing national budgets. The Europe 2020 Strategy and the economic crisis measures that are now being implemented need to protect the European social model. Besides one specific commitment from the European Council to fight against poverty, social inclusion does not form part of the long-term growth strategy, which once again hints at the belief that economic growth alone can guarantee the wellbeing of all, which is a belief that I do not share.

If we want to avoid that the national reform programmes merely become 'punishment programmes' when implementing this strategy, then we have to put forward concrete proposals that fit into our own vision of a smart, sustainable and socially inclusive future. By putting job creation first in coordinated macroeconomic policies, which include financial regulation and the development of green growth strategies, the European Union can give its citizens the support they need for the coming ten years.

It is 2010 now. For 2020, let's give Kristine and millions of people like her, the opportunity for a stable and fulfilling career, and the guarantee that they live in a greener, a more socially just, and an economically thriving Europe.