

## European Movement International

### Resolution on Europe's long-term economic future

The European Union is slowly emerging from years of economic crisis. Across Europe, indications of economic recovery are evident. However, there is still a long way to go before this economic recovery proves to be durable, and the EU is able to move towards renewed and sustainable growth. Important challenges remain, such as high unemployment; insufficient public and private investment; high public and private debt; a lack of competitiveness; and a divergence in living standards and income. Added to this, long-term challenges such as demographic ageing, the sustainable use of natural resources, energy security and impact of climate change have not disappeared.

To overcome the economic crisis and to create conditions for smart, sustainable and inclusive growth, the Europe 2020 strategy was launched in 2010.<sup>1</sup> Five priorities were set out that deal with employment, innovation, education, poverty reduction and climate/energy. Taking stock of the implementation of the Europe 2020 strategy at the halfway point, the Commission concluded in its March 2014 Communication that the Europe 2020 strategy has a mixed record in achieving its targets.<sup>2</sup> Despite this, Europe 2020 did help to focus on long-term strategies and strengthened economic governance through the introduction of the European Semester. In its 2014 European Semester Communication, the Commission concluded that the EU economic outlook is improving but that growth will remain uneven and fragile over the coming years. The main challenge now to achieve sustainable economic growth is political: we have to maintain political momentum for structural reforms since only part of the essential reforms have been adopted and implemented. Competitiveness and soundness of European social market economies depends on implementing the required structural changes.<sup>3</sup>

Alongside the Communications evaluating the progress of Europe 2020 and the 2014 European Semester, the European Commission has also opened public consultations on Europe 2020, which will be used in developing new Commission proposals for the second half of the Europe 2020 strategy. The new legislative cycle of the European institutions following changes in both the European Parliament and European Commission will bring new priorities, and means **2014 and 2015 are decisive years for Europe's long-term economic future.**

The European Council has already set out its priorities in its June 2014 communication *Strategic Agenda for the Union in times of change* in light of the challenges still awaiting Europe. One of its five main priorities is to implement structural reform in order to foster growth, increase investments, create more and better jobs, and improve competitiveness.<sup>4</sup> European Commission President Jean-

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<sup>1</sup>COM(2010) 2020. EUROPE 2020: A strategy for smart, sustainable and inclusive growth. Brussels, 3-3-2010.

<sup>2</sup>COM(2014) 130 final/2. Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive economic growth. Brussels, 19-03-2014.

<sup>3</sup>COM(2014) 400 final. 2014 European Semester: Country-specific recommendations. Building growth. Brussels, 2-6-2014.

<sup>4</sup>European Council 26/27 June 2014. Conclusions: Strategic Agenda for the Union in Times of Change.

Claude Juncker has likewise set out his priorities for the new European Commission. “A new boost for jobs, growth and investment” heads his 10-point agenda, which also includes “a deeper and fairer internal market with a strengthened industrial base” and “a deeper and fairer Economic and Monetary Union”.<sup>5</sup>

**In light of the above, the European Movement International formulated its recommendations to the new European Commission and Member States with a view to consolidate and further sustainable economic growth in the European Union, and to equip the European Union’s economic policy with the capacities to deal with both present and future challenges. In particular, the European Movement International:**

***Calls upon the Member States***

- **To remain strongly committed to the structural reform of European economic policy**, as is outlined in the Europe 2020 strategy and accompanying Commission Communications, and to build consensus on reform in various areas, to ensure that the European Union stays on its path of economic recovery towards renewed and sustainable economic growth;
- **To respect and follow the common EU rules on sound public finances.** Soundness of public finances together with structural reforms are key issues for EU’s economic recovery and success in the future.

***Calls upon the new European Commission***

- **To decide on a well-defined and broadly supported European economic strategy** in line with the European Council Strategic Agenda, the public consultations on Europe 2020, and the priorities of European Commission President Jean-Claude Juncker;
- **To ensure that Europe’s economic and industrial policy is efficiently and firmly coordinated by the new Vice-President for Jobs, Growth, Investment & Competitiveness**, encompassing all different instruments and related directorates-general, avoiding fragmentation;
- **To ensure the coherence of its economic policy** with policies in other areas, to be able to present a consistent and integrated policy for the European Union to continue its economic recovery and address the challenges that remain;
- **To take into account the social dimension of its policies**, as economic policy inevitably has a social impact. Article 9 TFEU, which states that EU actions have to take into

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<sup>5</sup>Jean-Claude Juncker. A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change. Strasbourg, 15-07-2014.

account its social impact<sup>6</sup>, should therefore play a more visible role in European economic policy;

- **To deliver on its commitment to create an ambitious Jobs, Growth and Investment Package by February 2015**, mobilising up to €300 billion in additional public and private investment over the next three years through better use of the EU budget and an improved regulatory environment; investments should not only be made at central government level, but in particular support local and regional initiatives, since a major part of public investments is done at sub-national level, where it contributes to the creation of jobs and growth;
- **To push for and assist structural tailor-made reform in all Member States**, respecting proportionality in the adjustment requirements within levels of government, to ensure that the European Union stays on its path of economic recovery towards renewed and sustainable economic development.

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<sup>6</sup>Article 9 TFEU: In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health.