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Europe needs 'social package' fit for 21st century

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EUOBSERVER / BRUSSELS - The European Union's social, education and business systems need a complete shakedown if the bloc is to be a meaningful player in the 21st century, the head of a group looking at future challenges of Europe has said.

Felipe Gonzalez, a former Spanish prime minister, on Tuesday (24 March) condemned what he called the current "sclerosis" on taking "necessary structural measures" in Europe and called for a new "social package" for the 21st century.

He noted that Europe's much vaunted social model was built for another era - a post-World War II Europe of industrial nations, with a population that was much less grey than it is today.

He said the "one advantage" of the current global downturn, which is expected to push EU unemployment into double figures and has already caused social unrest in several member states, is that there will be a clear "before and after" for Europe, representing a chance for change.



Felipe Gonzalez - calling for some "revolutionary" thinking on Europe
(Photo: Lisbon Council)

But Mr Gonzalez questioned whether EU leaders and policy-makers are yet taking the economic crisis seriously enough, noting that the issue has completely dominated the first meetings of his 12-strong wise group, due to make its recommendations for a Europe from 2020 to 2030 some time in the middle of next year.

"Is there enough awareness of the gravity of the crisis?" he asked his audience at the Brussels-based Lisbon Council think-tank.

Sweet decadence

Pre-crisis Europe saw an EU that was fading in global significance and had entered a period of "sweet decadence", said Mr Gonzalez. He said that Europe was well known for being a paymaster but not a real player, taking as an example Sarajevo airport – paid for by Europeans but unveiled by Americans.

"We have to revisit the foundations of our social pact," he said, highlighting the well-documented European problems of an ageing population and its strains on the welfare system.

"We cannot continue to talk about how good the social model is without looking at the economy as a whole and ... research and development spending," he said.

The centre-left Spanish politician urged EU leaders to approach Europe's many challenges differently, with a "rethink" needed of social and industrial relations as well as of education systems.

Amongst other things, retirement should be a "right not an obligation"; work should be judged on productiveness per hour and not on the length of the day, there should be "less corporate rigidity" and people should finish the education system with a clear idea of what they can bring to the jobs market.

According to Mr Gonzalez, EU society "does not allow for upward mobility" in the business world. He noted that the US has no category of 'small and medium-sized enterprises', only start-ups that eventually get bigger.

He called the bloc's Lisbon Strategy, its tattered goal to make the EU the most competitive economy in the world by 2010, a "failure" but said that if leaders use the crisis, it can "help Europe on the way."

The European "reflection group" began its work in December and is due to deliver its report in June 2010, with other members of the committee including Dutch architect Rem Koolhaas, Italian former EU commissioner Mario Monti and Lykke Friis, vice-chancellor of Copenhagen university.