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News from the Party of European Socialists

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## **PRESSURE MOUNTS FOR EU ACTION ON JOBS**

A blueprint to create five million jobs in Europe, boost economic growth and protect the environment is to be presented to EU ministers in Strasbourg next week.

The strategy, involving out more than 30 new policy ideas, is the first major contribution to preparations for the EU Summit on jobs to be held in Brussels this Spring.

Former Danish prime minister Poul Nyrup Rasmussen drew up the proposals after a year of analysis and discussion by an international network of experts established by the Party of European Socialists. He will discuss the proposals with leading social democrat Euro MPs in Strasbourg on 13 January before formally presenting them to the Irish Presidency of the EU Council.

Said Mr Rasmussen, who is now chairman of the Global Progressive Forum: 'The success of the Spring Summit on jobs is of crucial importance to EU development. EU leaders must renew their determination to meet the targets they set themselves four years ago.'

Taxation policy, the stability pact and far-reaching reform of public administration are among policy areas addressed in a package of proposals. Other highlights include the need to step up investment in research and higher education - currently only a third that of the United States - and to halve poverty in the EU by 2010.

The three broad headings of the strategy are:

- An active welfare state with greater potential for growth;
- Quality public finances that promote sustainable growth and social cohesion; and
- Policy coordination and national implementation, with special emphasis on the EU enlargement countries.

The proposals focus on renewal of the EU's Lisbon strategy, emphasising the role of investment and policy change in delivering jobs and sustainable growth.

Mr Rasmussen describes the Lisbon strategy as 'the European Union's most comprehensive way of tackling Europe's economic, demographic, employment and

environmental challenges in order to achieve sustainable development'. He stresses that it is 'the only available policy route' if the EU is to succeed in facing these challenges.

The full text of the document - 'Promoting Investment and Policy Change for Sustainable Growth and Participation in Europe' - is available on the PES website - [www.pes.org](http://www.pes.org)

Among measures to promote an active welfare state, the PES Network's document calls for the development of an EU investment strategy, support for high quality research, emphasis on skills, support for environment-friendly technology and strengthening of social security reforms.

On public finances, the document says: 'We regard sound public finances and controlled levels of debt as providing a platform for fiscal stability. However, stability is not an end in itself.' It urges 'more intelligent application' of the stability and growth pact with rules that take into account investment, structural reforms and deficits, active labour market policies and financial burdens linked to the ageing population when stability and convergence programmes are assessed every year.

Mr Rasmussen calls for new budget rules to be applied in times of high economic growth, not just in downturns. He seeks the redefinition of public deficit targets. European bonds could be introduced to finance projects of common interest. By 2010, Europe should be investing three per cent of GDP in research and two per cent in higher education, he says.

On tax, the strategy calls for incentives to stimulate private investment in human resources and sustainable development measures such as renewable energy. The EU budget should be restructured to focus on growth factors.

In the third strategic area - implementing and coordinating policy - Mr Rasmussen calls for economic, social and environmental governance at European level. 'Too often,' he says, 'joint decisions which have been reached among the member states are forgotten when it comes to national policy-making. This means that a multilevel governance system is needed that enables its various levels -- European, national, regional and local -- to interact and to properly implement the Lisbon strategy.'

Mr Rasmussen points to the emergence of positive economic signs in Europe after a period of uncertainty.

But he warns: 'There is no room for complacency. Economic realities underline the need for further reforms, and implementation of decisions taken should be a leitmotif when preparing the next Spring Summit.'

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