



The Various Interests Group



European Economic and Social Committee

**Conference of the Various Interests Group of the European Economic and Social Committee,
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*From Austerity to Growth and Recovery:
Overcoming the Socio-Economic Consequences of Greece's Crisis*

PRINCIPAL CONCLUSIONS

On 20 March 2014, the members of the Various Interests Group of the European Economic and Social Committee (EESC) met with representatives of the European Institutions, Greek authorities, civil society and the media, to exchange views on how Greece can move forward towards sustainable development, overcoming the socio-economic consequences of the crisis. The participants explored opportunities for growth, employment and recovery in Greece and agreed on the necessity for a social Europe of solidarity, cohesion, legitimacy and democracy. Based on the discussions and on the work of the EESC to date, the following principal conclusions were drafted and distributed among the participants:

From austerity to a new Greece in the Europe of tomorrow

- Pay tribute to Greek citizens for their resilience and sacrifices during the crisis which has had a **devastating impact on the social, economic and political fabric of the country** and has led to multiple interrelated crises (economic, financial, social, environmental, energy, poverty and demographic);
- Highlight that the **reasons for the current crisis in Europe are complex**, including public overspending, irresponsible behaviour by banks, an unregulated and inter-connected financial system, de-industrialisation, the loss of European competitiveness, structural weaknesses in the employment market and in the fiscal system, etc.;
- Insist that **peace, democratic rule and freedom** in the East and West of Europe are fundamental to the sustainable development of the continent;
- Recognise that **errors were made** involving Greece's public finances, weaknesses in the architecture of the European Single Currency and the miscalculation of the negative impact of the austerity programmes on Greece's recession (multiplier effect);
- Condemn in particular the deepening income and social inequalities in Greece and other austerity-hit countries and insist on **urgent measures to prevent and to tackle poverty**;
- Stress that **reductions in consumption levels** have led to a downward economic spiral, over-indebtedness and socio-economic exclusion for large parts of the Greek population;

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- Urge the Greek Authorities to fully recognise and **support the new civil society initiatives** which are emerging in the aftermath of the crisis. Such initiatives provide the **necessary solutions and innovation** which are central to re-building the fabric and social capital of Greek society;
- Congratulate Greece for the 2013 fiscal primary surplus and the deficit reductions, which constitute concrete steps towards Greece's recovery and call on all stakeholders to continue their efforts;
- Encourage the public authorities and civil society, including the social partners, to **pursue sustainable development** with determination, entrepreneurship and optimism;
- Highlight that despite recent tentative improvements in the economic situation in Europe, the challenges facing European societies are multiple and the EU finds itself at a **historical turning point** which requires fundamental structural changes;
- Insist that the European Union must be underpinned by greater **political legitimacy, trust and democratic accountability**, if it is to overcome dwindling public support;
- Stress that if Europe is to fulfil its future ambitions and potential, it will be necessary to further invest in a **united, social and politically coherent Europe**, which is mutually reinforcing and stronger than the sum of its individual parts.

Stimulating growth through employment, competitiveness and entrepreneurship

- Welcome efforts by the Greek authorities to **combat tax evasion and fraud**, to strengthen administrative capacity, reduce barriers to business and simplify export procedures. These efforts should be continued and stepped up;
- Deplore the **high levels of unemployment** in Greece, notably youth unemployment and insist that the overarching immediate objectives should be job creation, support to the real economy, increasing competitiveness and poverty reduction;
- Call on Europe's SMEs, the social economy, the green economy and the liberal professions to become **key actors** in this process and for the EU's Structural and Social Funds to become pivotal instruments for Greece's recovery;
- Stress that respect for **consumer rights** should be considered an advantage for business competition and not a burden. The rights of consumers must always be respected and notably during periods of crisis;
- Urge the Greek Presidency of the Council of the EU to take the lead in **growth promoting initiatives**. For example, progress towards completing the Internal Market and facilitating the EU's global trade relations, updating and implementing a revised Europe 2020 Strategy and the Compact for Growth and Jobs;
- Priority should be placed on concrete steps towards the Connecting Europe Facility, introducing the Digital Market by 2015, the telecoms package, re-industrialising Europe, innovation, research and development;
- Highlight the necessity to **establish a banking union** as soon as possible and for the European Central Bank (ECB) to begin supervising all European banks, including Regional banks, in autumn 2014. Within this context, the rapid introduction of the Single Resolution Mechanism is imperative;

- Stress the necessity to **support the real economy** versus the virtual economy, in order to ensure sustainable development;
- Insist that SMEs, including social economy enterprises, constitute the backbone to the European economy and employment market. Stress the urgency of **ensuring normal lending to the economy** in order to finance existing or new activities, particularly among SMEs;
- Within this context, the participants welcome the proposal of the EU to **launch an SME Initiative** to be co-financed by the Structural Funds and which would provide alternative financing to SMEs. The participants also call for the European Investment Fund to be re-capitalised as soon as possible, in order to enable it to provide development capital for European SMEs;
- With a view to increasing employment levels in Greece, call for **upgrading vocational and technical training**. Moreover, closer links should be forged between companies and schools in order to avoid "brain waste" and skills mismatching;
- Urge Member States to rapidly and correctly implement the Council Recommendation on the promotion and validation of non-formal and informal learning, in order to increase the visibility of skills acquired outside formal education;
- Insist that additional EU and national funds be made available for the **Youth Guarantee Scheme**. The scheme should be extended to young people aged 30 and to regions where youth unemployment is less than the current requirement of 25%. Personalised career counselling and guidance should be made available in employment agencies and schools.

Supporting a Greece and Europe of innovation and optimism

- Commend efforts made by individuals and civil society organisations to **re-instil confidence, optimism and ambition into the labour market**, for example through social enterprise initiatives, the social economy and the green economy;
- Stress that these initiatives respond to local needs, are integral to social cohesion, capacity-building and that they result in **innovative, equitable and inclusive employment opportunities**;
- Within this context, support for **social enterprises and the green economy** should be mainstreamed into all EU policies, for example, enterprise policy, the Structural Funds, the post-2015 Development Agenda, SME programmes or innovation programmes such as the Horizon 2020;
- Welcome the prioritisation by the Greek Presidency of the Council of the EU of a **comprehensive maritime policy**, which would incorporate the security of maritime borders, maritime economic activities, energy, fisheries, tourism, the protection of undersea archaeological wealth and maritime zones;
- Highlight that **tourism** can play a pivotal role as a **vehicle for growth and job creation**, building on Europe's historical, cultural and natural heritage. However, in order to unleash the full potential of tourism, the sector should be better integrated into relevant European policies, for example transport and infrastructure policy, rural development, social, regional, maritime, environmental policy, etc.;

Prioritising a social, democratic and legitimate Europe accessible to all citizens

- Recall that democracy is founded on the principles of **legitimacy, accountability, participation and active citizenship**;
- Support the initiative of the European Parliament to make the activities of the **Troika accountable** to the European Parliament and for the EC to assess the socio-economic impact of the austerity programme;
- Insist that the next **five-year mandate of the European Parliament** must be one of renewal, sustainable development, recovery, inclusiveness, solidarity and democracy, which fully involves European citizens;
- Stress that in 2014, the principal objective must be to build or **re-build trust between citizens and politicians**, between the national and European levels, between the economic, social and political fabric of our societies;
- Highlight that trust will be re-built by **delivering results** which positively affect the everyday lives of citizens and by better communicating Europe to citizens;
- To this end, insist on the necessity for holistic solutions to the multiple crises in Greece, **balancing the economic and social dimensions**. Efforts should be made to reduce inequalities and social exclusion, including those relating to gender and disabilities;
- Insist on the obligation of Member States to **provide quality services of general interest**, including social and health care services, which should be affordable and accessible to all despite austerity measures;
- Stress that social policy can unleash productivity and competitiveness, it is an investment in future growth and employment and not a cost. The European Semester must better measure social progress and reflect a **greater focus on social investment**;
- Highlight that **accessibility is a human right for all citizens** including those with disabilities. An emphasis on inclusive societies must be the guiding principle for a social Europe;
- **Call for a new European Social Action Programme**, which would set out clear tangible targets, updating the targets of the Europe 2020 Strategy and exploring the right of European citizens to a minimum guaranteed income, the rate of which would be decided by each individual Member State;
- Urge investment in economically-viable social projects, by **supporting the emergence of new financial instruments** such as European Social Bonds, to be sponsored by individual citizens, businesses, trade unions and civil society;
- Express the hope that the forthcoming **European elections** will generate substantial interest among European citizens representing a wide political spectrum;
- Call on all European political parties to effectively communicate to citizens and notably to young Europeans, the common cultural heritage that Europeans share, the benefits of EU membership, the solutions that the EU has brought to the European, national and local levels and the **cost of "non Europe"** to growth, sustainability and competitiveness.

Athens, 20/3/2014
