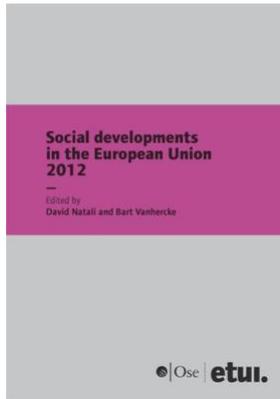


Press release: conference & book launch



## **‘Austerity Europe’ socially and politically bankrupt: it’s time for real alternatives**

### **Social developments in the European Union 2012**

*“Germans, wake up. Stop these attempts to balance your budget, spend more”,* said **Paul De Grauwe** (London School of Economics), commenting on the EU’s current austerity paradox during a well-attended conference at the European Economic and Social Committee. De Grauwe added that *“the European Commission has become the ally of the creditor countries and not of the poorer member States”*.

More than 150 researchers, policymakers, and stakeholders participated in the official launch of this year's *Social Developments in the European Union book*. The volume has been published for the 14th time by the European Social Observatory (OSE) and the European Trade Union Institute (ETUI). **Philippe Courard** (Belgian State Secretary for Social Affairs), **Laurence Weerts** (Cabinet of European Commissioner László Andor), **Philippe Pochet** (ETUI) and **David Natali** (OSE), who cut into the EU’s current “crisis sandwich”, provided their views today on the social and political risks in the Eurozone as well as the tools that are still available for developing the EU’s social dimension. For more info about the conference, please see: <http://www.ose.be/EN/agenda.htm#050713>

The *Social Developments in the European Union* book and conference advanced three **options to chart a new course out of the crisis**. Starting from the growing criticism of austerity, especially from international organisations like the ILO and the IMF, contributors have proposed a new set of measures:

- At the top of the agenda is the need for Northern countries to adopt growth-oriented budgetary policies to increase demand. This would help those countries hardest hit by the recession to finally exit the crisis. This is what Paul De Grauwe (London School of Economics) stressed in his inspiring contribution.
- Second, over the longer-term, the EU needs to advance a more ambitious project to improve the effectiveness of its policy toolkit (e.g. more efficient spending of structural funds or more coordination of national decisions) and to address the real tensions at

the heart of the Great Recession, namely to devise more efficient regulations for financial markets and the banking sector.

- Third, EU policymakers have to react to growing criticism of and a lack of confidence in European institutions. This is at the very core of the EU crisis: further steps towards political union are necessary, but no leader seems to have the political capital, or the political courage for that matter, to convince the public to share in a more solidaristic approach to integration and to entrust more powers to Brussels.

The EU is in urgent need of a **coherent strategy to exit the recession** while addressing crucial political questions surrounding the future of the integration process. As to the first point (boosting economic growth AND social progress), the European Union needs more effective steps to reduce unemployment (especially among younger generations), and to decrease risks of both exclusion and poverty while improving the potential for growth. As to the second point (the re-launch the EU political project), increased tensions between Member States are reducing the scope for solidarity. Thus, economic, financial, and political risks are threatening the EU.

The 2012 edition of *Social developments in the European Union* examines pending problems and challenges: old tensions (double dip and persistent recessions in many Member States) and new questions on the EU strategy (the deepening **territorial cleavage between Northern and Southern Europe**, the lack of dramatic improvements in growth-friendly investments - like education and active labour market policies, as well as and growing public discontent) are at the centre of the debate. This edited volume also provides a **roadmap to exit the crisis** and to give new life to the European project.

2012 has seen **new developments in the EU crisis and the attempts to redress its main causes**. European institutions have built upon their programme of economic governance in line with the austerity paradigm, while political and institutional debates about democratic legitimacy and the EU's ineffectiveness have continued. In this context, the 'social dimension' of Europe has been characterised by persistent weakness (with proposals for more sustainable growth lagging behind) and some more hidden attempts at 'reinvigoration' through the attempts to re-launch the Social Open Method of Coordination. Nonetheless, much more needs to be done to save the European Union.

Please find an **Executive Summary** of the book below. The **flyer** (table of contents) can be downloaded from:

- (ENG) [http://www.ose.be/files/bilan2012/Flyer\\_Book\\_Bilan2012\\_EN.pdf](http://www.ose.be/files/bilan2012/Flyer_Book_Bilan2012_EN.pdf)
- (FR) [http://www.ose.be/files/bilan2012/Flyer\\_Book\\_Bilan2012\\_FR.pdf](http://www.ose.be/files/bilan2012/Flyer_Book_Bilan2012_FR.pdf)

**Contact:**

Bart Vanhercke [vanhercke@ose.be](mailto:vanhercke@ose.be) + 32 (0)475 55 10 20  
Françoise Verri [verri@ose.be](mailto:verri@ose.be) + 32 (0)475 58 02 71