

Priorities for the Next Commission – A More Competitive Europe

13 June 2014 | by [Thomas Fillis](#)



On Tuesday, it was my distinct pleasure to attend the launch of the World Economic Forum's [Europe 2020 Competitiveness Report: Building a More Competitive Europe](#). The report measures Europe's performance against the Europe 2020 strategy, the EU's flagship growth and jobs agenda and was launched in cooperation with the Lisbon Council. It was also my pleasure to attend the address from Catherine Day, Secretary General of the European Commission which was particularly interesting. In this article, I will note the key conclusions of the report, followed by an overview of Catherine Day's own comments regarding the key political issues which will concern the new Commission President and their college. Given the current tussle between various Member States as to who will become the next Commission President, it is often worthwhile to remember exactly what the challenges facing Europe are and how we will solve them, regardless of who will come to lead Europe's highest political institutions.

Broadly, the report praises the EU for having weathered the financial crisis in relatively good shape owing to a real political commitment from EU leaders to safeguard the stability of the single currency, the euro, and thus preserving stability in the wider Union. However, the report also highlights that Europe is not en route to

achieving the goals laid out in the Europe2020 strategy. The issues raised in the report are: that the EU continues to lag behind the US in terms of competitiveness, the European labour market requires further reform to advance inclusive growth, innovation in the economy remains a consistent discrepancy between Member States and that a more region/country specific approach is needed to cope with regional and nationally specific issues, weaknesses and strengths.

In her address, Catherine Day offered her own view as to what the political and economic priorities of the next Commission are. She outlined three key areas in which policy makers will need to take action. She noted first that unemployment remains one of the greatest scourges in European society. Unemployment, especially youth unemployment, risks creating a “lost generation” in Europe. She noted that both the public and private sector have a role to play, but that business and companies will play the largest role in creating jobs. Secondly, she highlighted public and private debt and the need for stable financial policy. Thirdly, she observed access to finance as a major issue facing European business and growth. Europe is currently too bank dependent and many financial institutions are reluctant to lend (not always a bad thing but too much risk aversion will also stifle growth and entrepreneurship).

IF THERE IS NO POLITICAL WILL, THEN IT'S IRRELEVANT WHAT TOOLS ARE AVAILABLE TO CONDUCT POLICY

Beyond her three main issues, Ms. Day also noted that the Commission needs to take a country-specific approach, which is not a natural Commission approach but with a greater focus on conditionality. She also noted that the EU needs to do now with the Digital Economy, what was achieved in 1992 regarding physical boundaries, this will also open the project to younger people. When asked by a journalist of the Open Method of Coordination (the policy approach the Commission would most likely take in pursuit of the policy goals highlighted above) Ms. Day reiterated the need for strong political will – if there is no political will, then it's irrelevant what tools are available to conduct policy.

As an observer, I enjoyed the clarity and consistency of Ms. Day's comments. With the political debate about the future of EU policy dominated by competing national desires regarding who steers the Commission, or how a rise in Eurosceptic and Europhobic MEPs may alter the nature of EU decision-making, it is indeed worthwhile to keep in mind the challenges Europe will face with a mind to considering how we will solve them in the evolving political landscape in the European capital.

THE COMMISSION NEEDS TO TAKE A COUNTRY-SPECIFIC APPROACH

For my part, access to finance for SME's and start-ups is a fundamental point. Business creates employment, and if we are to avoid the tragedy of a lost generation in Europe, a healthy financial and business climate must be realised. But as we emerge from the crisis, it is also fundamental not to forget the need for a social element to EU integration. The pessimists were proved wrong, and the euro survived the global downturn. Taking heart from this, we must ensure that a post crisis Europe becomes even more ambitious, committed to equality and desire to be a force of stability in citizens' lives than it was before the crisis.

The event took place in the R sidence Palace on Tuesday 12 June 2014. A Keynote Address was given by Catherine Day, Secretary General, European Commission. A presentation of the Europe 2020 Competitiveness Report was given by Nicholas Davis, Director, Head of Europe, World Economic Forum and Caroline Galvan, Economist, Global Competitiveness and Benchmarking Network, World Economic Forum. The session was moderated by Ann Mettler, Executive Director, the Lisbon Council.