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EU economy

By Fernando Heller, dpa

INTERVIEW: Europe can emerge stronger from crisis, Almunia says

It is impossible to predict when the eurozone will emerge out of its economic crisis, but applying the necessary reforms will help to avoid similar situations in the future, European Competition Commissioner Joaquin Almunia says.

Brussels (dpa) - It is impossible to predict when the eurozone will emerge out of its economic crisis, but applying the necessary reforms will help to avoid similar situations in the future, European Competition Commissioner Joaquin Almunia says.

The commissioner told dpa Insight EU that the European Union did not have a "crystal ball" to predict the end of the crisis. "Prophecies, in this case, are bound to be mistaken," Almunia said.

"What seems obvious to me is that it is necessary to work a lot to come out of this crisis, carrying out reforms, correcting imbalances, setting priorities, financing what really deserves to be financed with public money and not wasting money."

"If we do what needs to be done, not only shall we come out, it is sure we will come out of the slump, but we will also come out much better and avoid the risks of falling back into what exactly took us into this crisis."

"Crises always give lessons and teach things, and from this crisis, which is so deep, we will come out with an economic system and an outlook which are very different from what existed until 2007," Almunia said.

"There are debt levels which are not sustainable," he also said. "Imbalances need to be corrected and that implies taking decisions which are not always pleasant."

Almunia said he had faith in the "model of the Scandinavian welfare state," which combines flexibility for companies with social protection, but "you cannot transfer this model from one country to another overnight."

Asked why economists had not foreseen the crisis, Almunia said he does not consider economics a science. "It is true it has elements which are used for analysis," he admitted.

Distrust of politicians and institutions is growing in "many European countries," the commissioner said. "This does not only affect European politics, but also national politics."

Almunia admitted he had "some nostalgia" for earlier European leaders such as Jacques Delors, Helmut Kohl, Francois Mitterrand or Felipe Gonzalez.

"Those were politicians who had a clear vision of the future, they were conscious that they were building something new and historic. Today we live in different times, very tough ones, especially for the crisis."

But even today, politicians who are able to solve problems "will be remembered in history books."

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