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Presentation of the Commission Work Programme 2012

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Plenary of the Committee of the Region

Brussels, 15 December 2011

President,

Honourable Members,

- The EU is in the midst of a storm. Last month, the Commission published its regular growth forecast. It left little doubt as to the gravity of the situation. The sovereign debt crisis makes its mark. EU's economic recovery has come to a standstill. Lack of confidence continues to affect investment and consumption. High unemployment and low GDP growth are expected through 2012.
- This situation is unsustainable. The EU must and can do better. That was why President Barroso called for a genuine **European Renewal** in his State of the Union address. A renewal built on stability and responsibility. On growth and solidarity.
- The sovereign debt crisis must be tackled with all it takes. The Commission will continue to play its full role. Last month's far-reaching proposals and the outcome of the European Council and Euro Area summit have showed the way to restore stability to financial markets and strengthen economic governance as a means to reinstate fiscal

responsibility. We have now an agreement to go forward for a new 'fiscal compact' and strengthened economic policy coordination. Now the key is swift implementation.

Meanwhile, long-term reform cannot be put on hold. We cannot allow immediate urgencies to lead us to neglect the reworking of our economy.

- While the crisis must be managed and resolved, we also need to manage the future. The Commission Work Programme for 2012 is important for keeping this momentum. It underlines the balance between immediate action to tackle the crisis, implementing what is already agreed, and building for the future. Today, let me address mainly the measures to boost growth and renew solidarity.

- Restoring healthy finances will not happen through austerity alone. Public authorities at local, regional and national level need to look carefully at both expenditure and revenue. Spend and cut intelligently to stimulate growth as well as looking for new ways to generate income. In this context, the financial transaction tax aims to secure a fair contribution from the financial sector. It is a groundbreaking proposal and I very much look forward to the own-initiative report which the Committee of Regions is drafting on this issue. Other initiatives to enhance public revenue include measures to address the challenges posed by tax havens and steps to help counter VAT fraud.

- Completion of the financial sector reform is another priority and milestone for 2012: this will complete a process that has transformed the European landscape for financial regulation and supervision. .

[EU 2020, Growth and single market]

- With the Europe 2020 strategy we have the blueprint for achieving sustainable and job-creating growth. We have to adopt changes that bring real benefit. Europe 2020 can be the spark to a virtuous circle of growth.
- In spite of the urgency of the situation, progress in implementing the guidance of the EU 2020 strategy (as laid down in the 2011 Annual Growth Survey) is below expectations.
- This is why we have to put a strong emphasis on the need for implementation, with a clear emphasis on growth-enhancing actions. We need to focus on implementing the priorities that have been agreed, and make sure that this effort matches the degree of seriousness of the situation as it is now developing.
- Therefore we need a strong commitment from all the stakeholders in particular from the regional and local authorities .The Commission particularly welcomes the commitment of the Committee of the Regions

and the European associations of regional and local authorities to go ahead and achieve the main objectives of the EU 2020 strategy as expressed in Brussels on 12 December by the Conference Governing in partnership.

- I also would like to thank the Committee of Regions for its 2nd Monitoring report on Europe 2020. It is particularly useful for the Commission to get the views from the local and regional authorities on how the Europe 2020 strategy is implemented on the ground and on the levels of involvement of the respective actors and we have referred to it in our Annual Growth Survey
- We also appreciate the Committee of the Regions support on our proposal on partnership contract. Indeed, the partnership contract agreed between the Commission and Member States, will be closely linked to the National Reform Programme and thus to the implementation of the Europe 2020 strategy. They will set out the commitments to concrete actions to deliver Europe 2020 objectives. This builds on and adds up to the initiatives that have already been taken by the Committee of the Regions on the territorial pact, which the Commission fully supports.
- The work of the European semester will be critical over the next year, to drill down action into Member States and

ensure that all parts of Europe help each other to recover.

- In seeking more budgetary discipline we should not forget to improve revenues. We need to keep up the pressure on the Financial Transaction Tax, and looking at new measures to tackle tax havens and counter VAT fraud. We will also make a focused proposal on protecting of the financial interest of the EU, including by criminal law.
- We also press on with financial sector reform: on bank resolution, new proposals on credit rating agencies, measures on investor protection, critical to deepening confidence in the sector; institutions for occupational retirement.
- The Single Market has made us what we are today, the world's largest economy. And going forward, there is no stronger basis for restoring growth and job-creation than a Single Market that continues to deliver on its full potential. But for businesses and citizens to harvest the full benefit of new opportunities, legislation must be constantly developed and updated.
- New opportunities are waiting to be explored – not least in the **digital Single Market**. Take the example of the on-line music business, which holds great retail potential. Putting in place new rules for cross-border licensing will

expand the markets for entrepreneurs and artists. Similarly, a common framework for electronic identification and signatures, if quickly adopted, could boost electronic transactions across the EU and encourage both consumers and businesses to make the most of the opportunities.

- With the 12 concrete proposals set out in the Single Market Act, the Commission launched the first phase of an ambitious process to bring the Single Market into the 21st century. If we want to have real impact on growth, we need to adopt them, and see them implemented quickly. The European patent, roaming charges, the energy savings directive – these are all examples where early adoption would show an EU determined to do everything possible to boost growth and create jobs.
- For the Single Market to function properly, it must also have efficient, modern **infrastructure**. The EU must be connected. The dedicated instrument proposed by the Commission for 2014-2020 will support key investment in energy, transport and broadband. Bringing Europeans together across regions, across borders. The Commission will also propose a comprehensive rail package, modernising European rail transport through increased competition and improved rail safety.

- As well as bringing forward new proposals, the Commission will also ensure that the EU exploits better the opportunities we already have. In fact, we often have the tools at our disposal to promote growth in the Single Market – we just have to put them to full use. Take for example the **Services Directive**. Nine out of ten new jobs are created in the services sector; full implementation of the Services Directive would unlock growth where it can help jobs the most.

[Jobs and sustainability]

- Solidarity among people, regions and countries is a fundamental value of the EU. In our unique social model, growth and inclusion go hand in hand. We need an economic recovery which is job-rich and the Commission will cooperate closely with Member States to ensure this. At national level through the European Semester and with new initiatives at European level. But also with work to bring real benefits to Europe's communities. For example, we will assist young job-seekers to explore opportunities across Europe with a Youth on the Move card. Unemployment among our young people is one of the most pressing challenges.

- The European Globalisation Fund is a tangible expression of European solidarity. The Commission regrets that despite the various attempts by the Presidency to find a successful compromise in the EPSCO Council of 1 December it was not possible to reach a political agreement on the extension of the crisis-related derogation of the European Globalisation Fund.
- Let me also emphasise another important dimension of our growth-strategy: As growth must be job-rich, so it must be **sustainable**. We are past the time when we can accept that our prosperity is created at the cost of future generations. 2012 will be a key moment of transition to the revised Emissions Trading System. And the Rio+20 Summit is an opportunity for a global review of our obligations, looking in particular at a new water strategy.

[Cohesion policy]

- The EU budget is one of our strongest, most direct means to support growth and jobs. Much political effort will in 2012 be dedicated to ensuring the adoption of the Commission's proposals for the period 2014-2020. Including proposals on agriculture, on cohesion, on employment and on

infrastructure - all with important growth enhancing potential in the regions.

- **Cohesion policy** works. No-one can contest this. For the period 2000-2006, 1.4 million jobs were created through cohesion policy. And 34 million European citizens today live in regions, which are better off than they otherwise have been. But we must also recognise that we can do better. And we must adapt our instruments to the current context. A challenging economic, financial and fiscal environment and a globalised, fiercely competitive economy.
- Cohesion policy must become the **investment policy** of the Union. An investment policy aiming to create jobs, stimulate growth, foster innovation and ultimately improve the quality of life of our citizens. The Commission is confident that the renewed Cohesion policy will do just that. Never before has the interdependence among Europeans been felt more acutely. The crisis has amplified the wider awareness that events occurring in one region of Europe have direct effects elsewhere. This is a solid basis for enhancing European solidarity.

[Conclusion]

- In my introduction, I referred to the latest growth forecast. While there is plenty to be discouraged by, let us remind each other that a crisis is first of all a **decision point**. A call to set new direction, to allocate resources behind it and to follow through at all levels. Local, regional, national, European. We have an agreed direction. For an EU which is smarter, greener and fairer. It is time to allocate the resources. And follow through.
- The EU is not only Brussels or Berlin, Vienna or Warsaw. Before anything else, the EU is the diversity of its vibrant local communities, its cities and its regions where Europeans live and work. Where the impact of crisis crystallizes, where reform often takes its most tangible form and where real change is delivered.
- Finally - change requires **confidence**. The confidence of businesses to pursue new ventures; the confidence of investors to provided capital to private and public sector; and the confidence in every individual citizen that her or his efforts make a difference. Your strong leadership at regional and

local level is indispensable for restoring that confidence and for ensuring that change takes hold.

- I look forward our debate and to continuing our close dialogue.

Closing remarks

Thank you for your input. We have a heavy agenda before us; however we believe that the content of the Work Programme reflects a strong political consensus. I hope that the Commission can count on your support to deliver concrete results from our ambitious proposals.