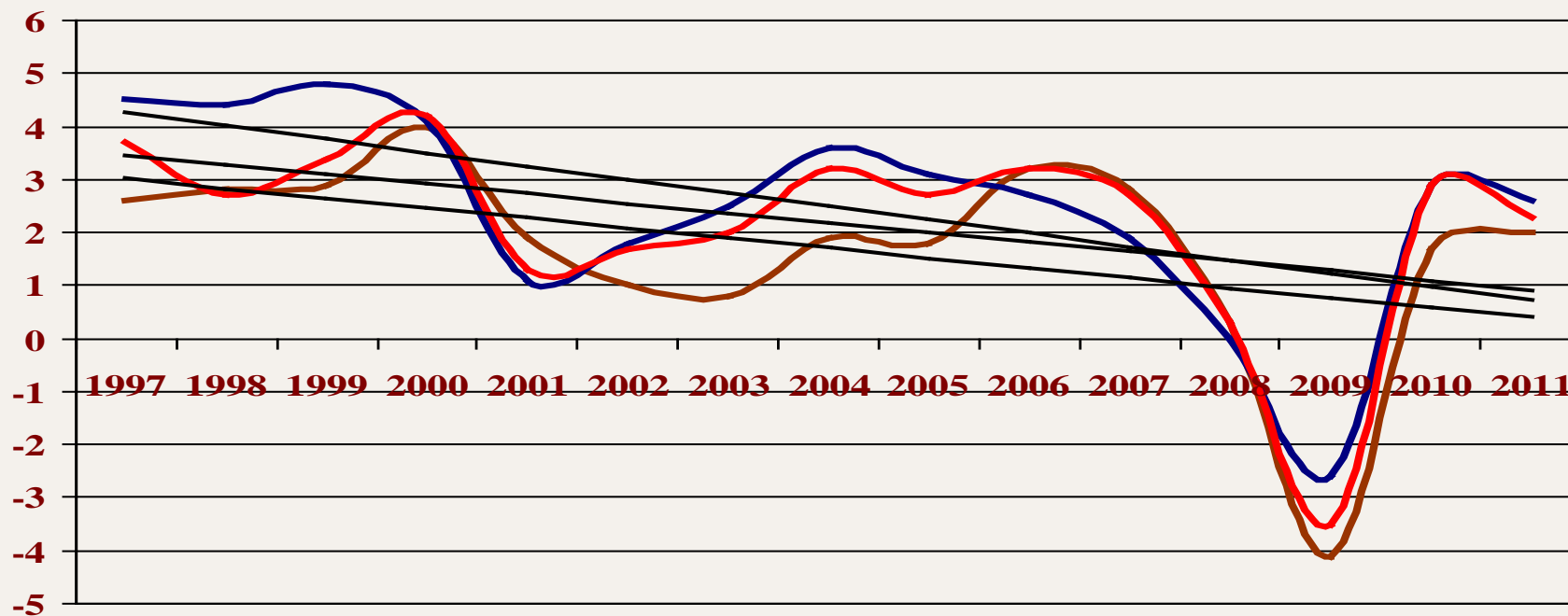




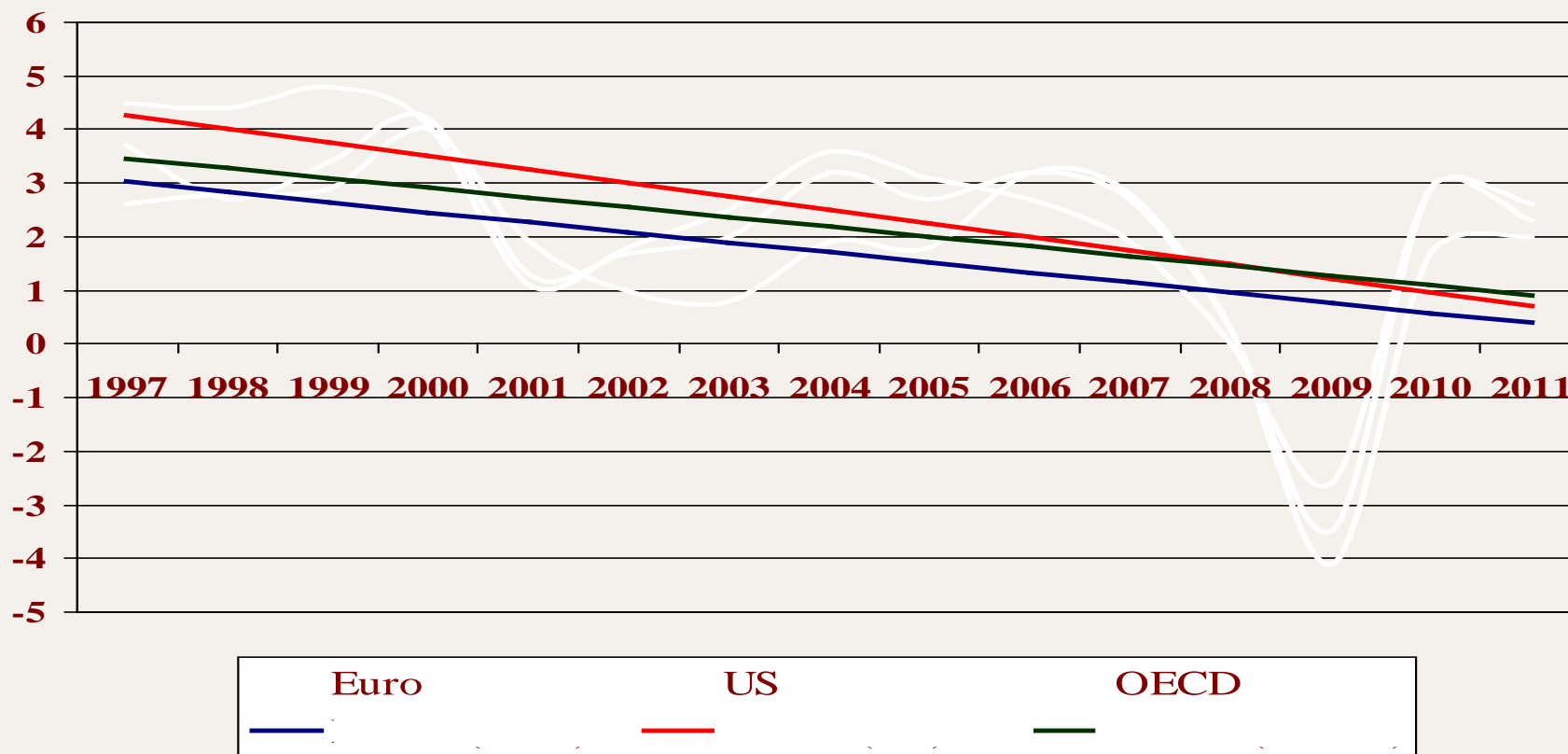
The EU in crisis: what should really be done?

**Hans Martens
Chief Executive
European Policy Centre**

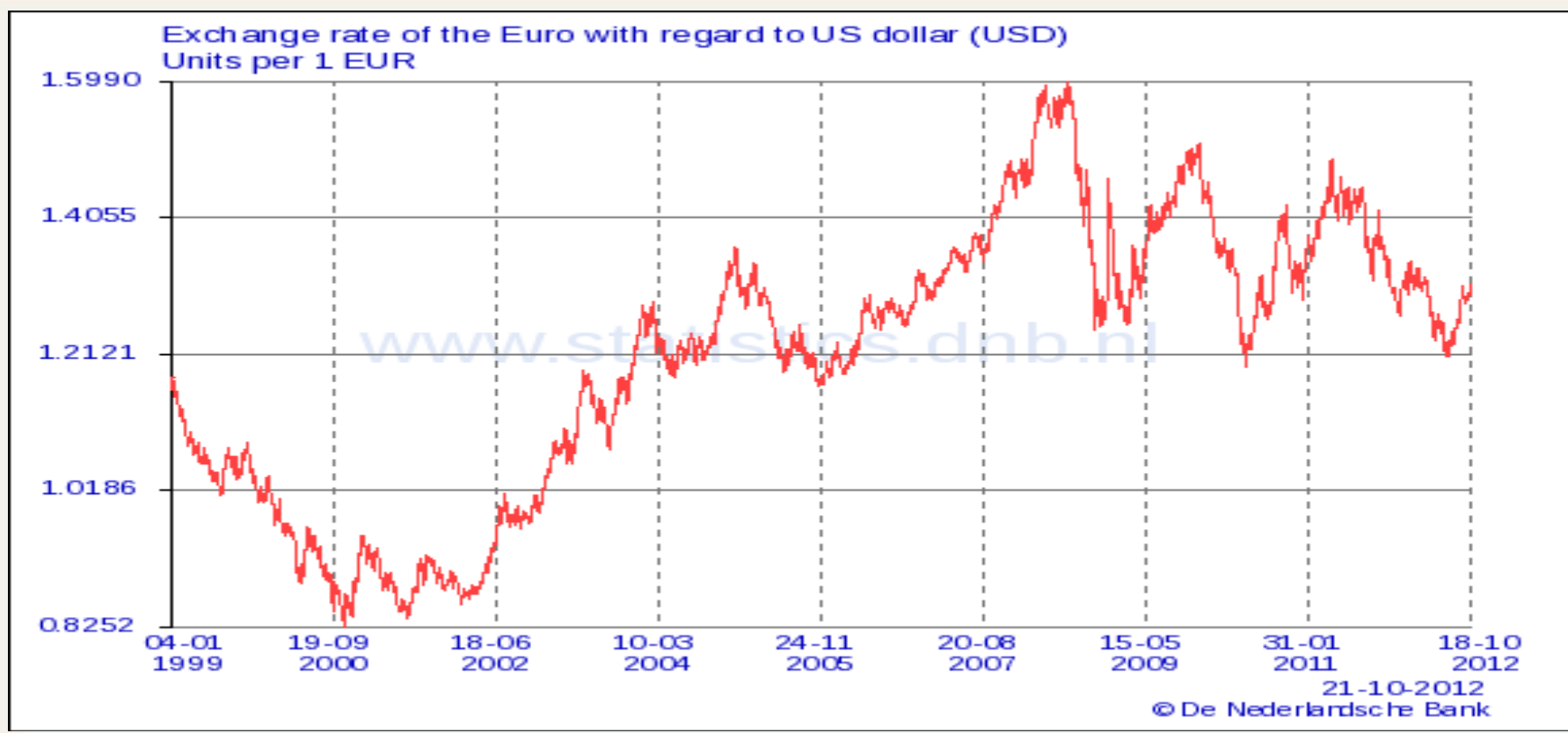
We have a Western World Growth crises GDP Growth %



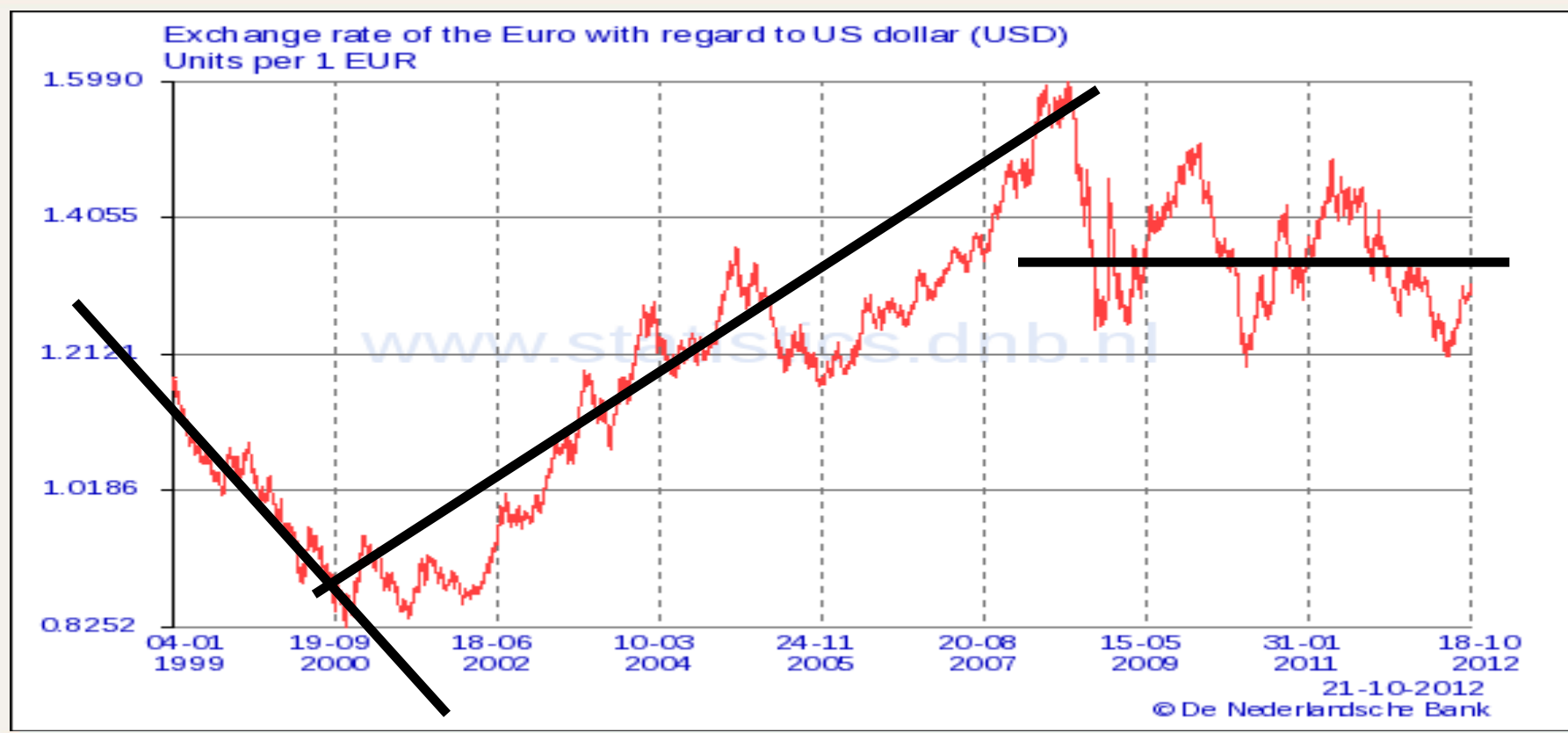
We have a Western World Growth crises GDP Growth %



A currency in crises?



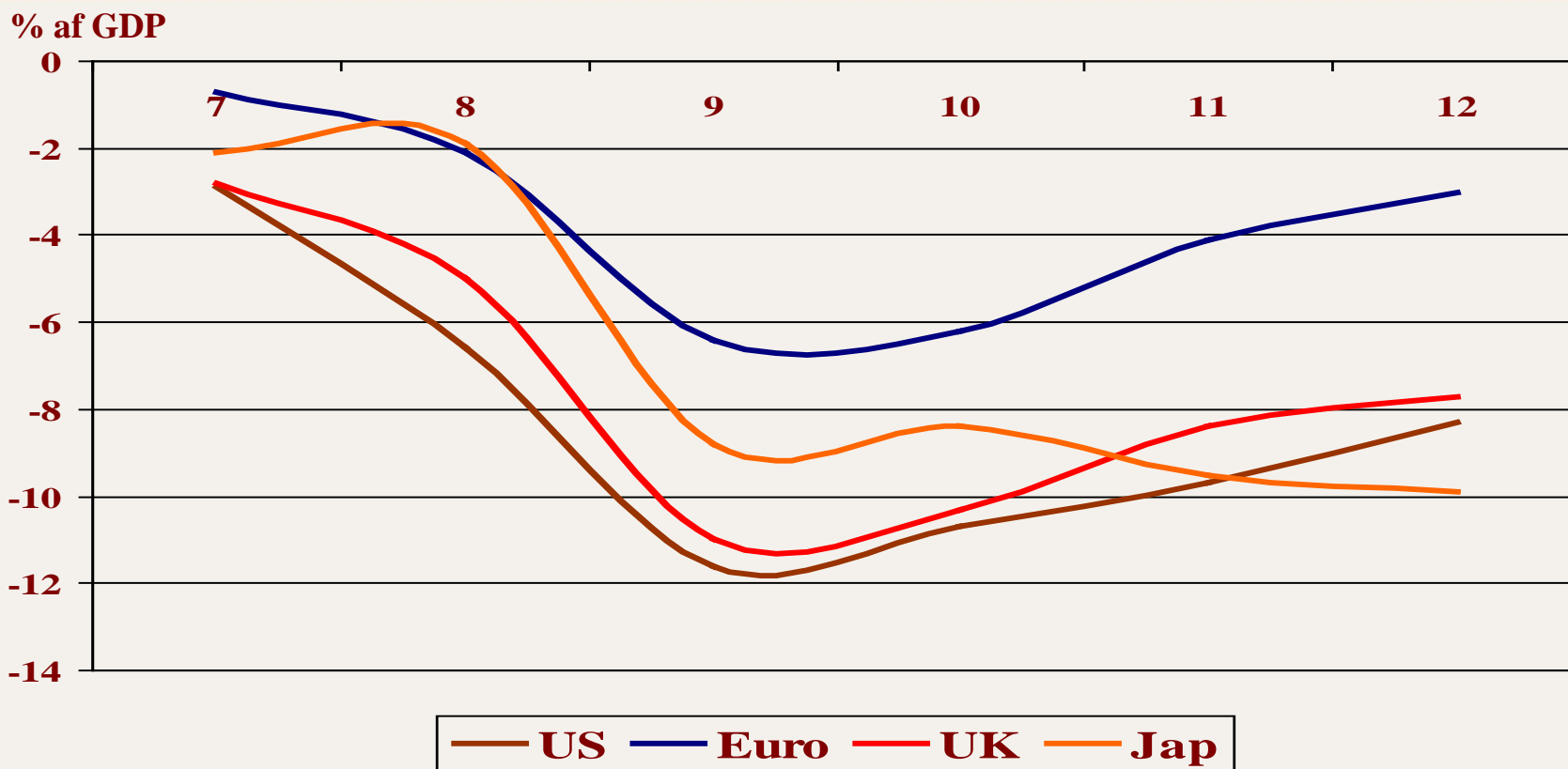
A currency in crises?



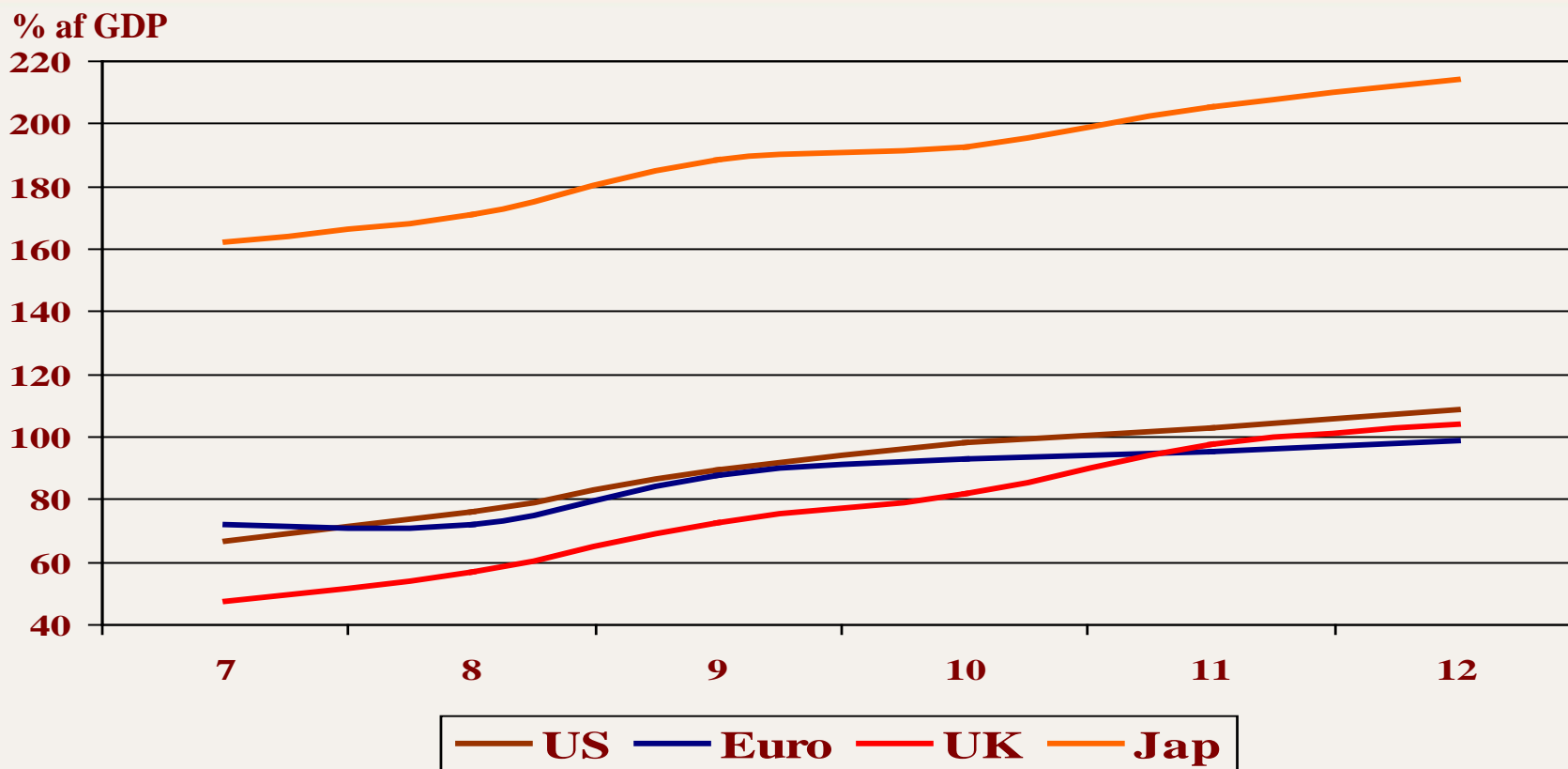


Are we addressing the right crises?

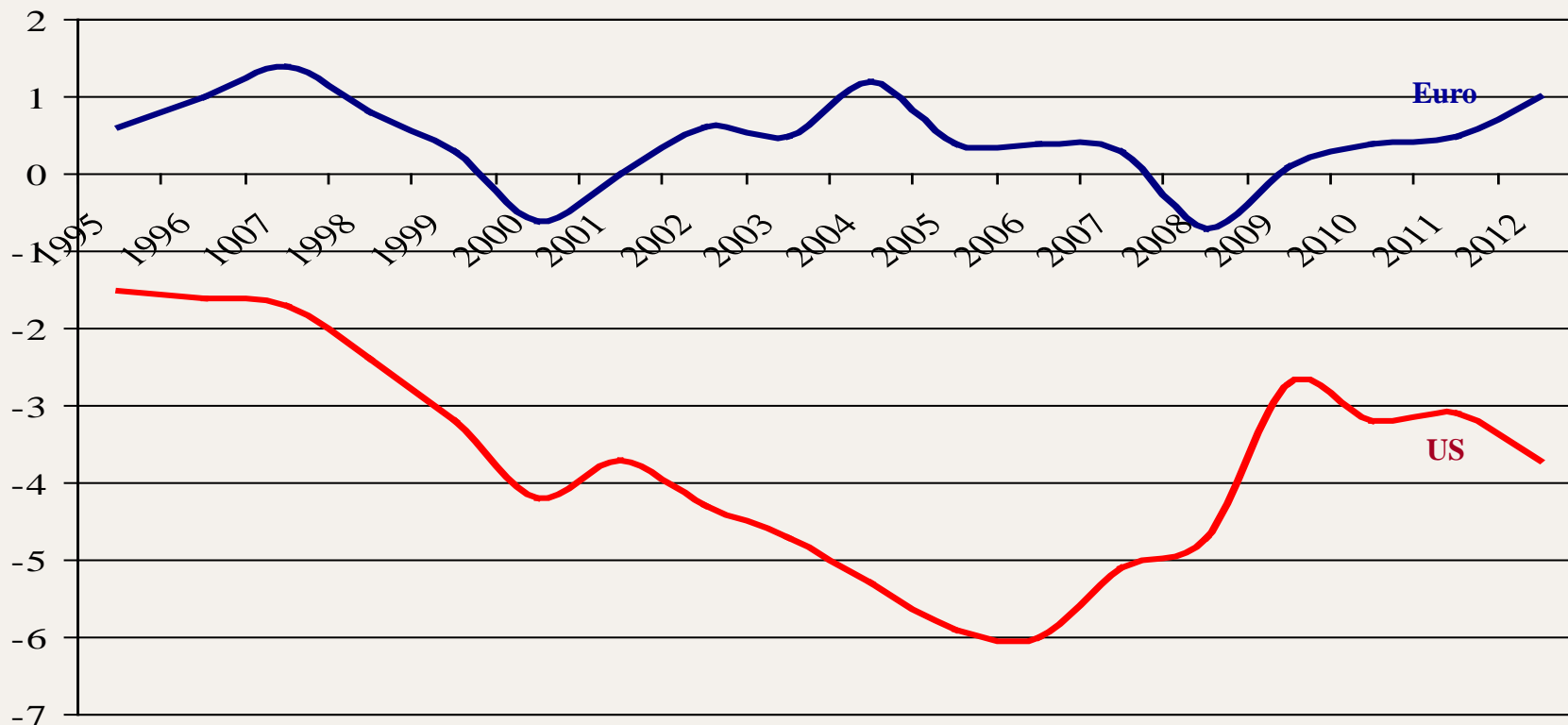
Public budgets



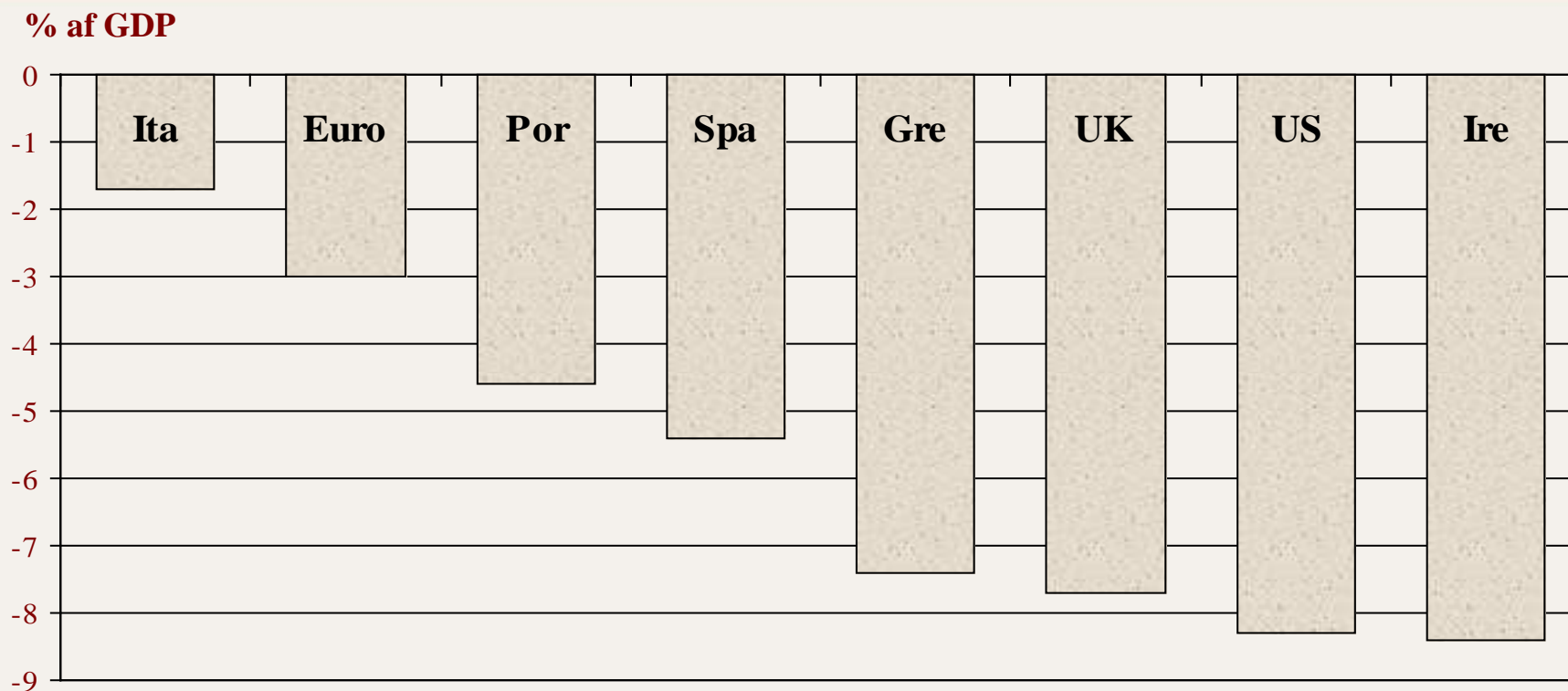
Public debt



US and EU current account 1995 – 2012 - % of GDP

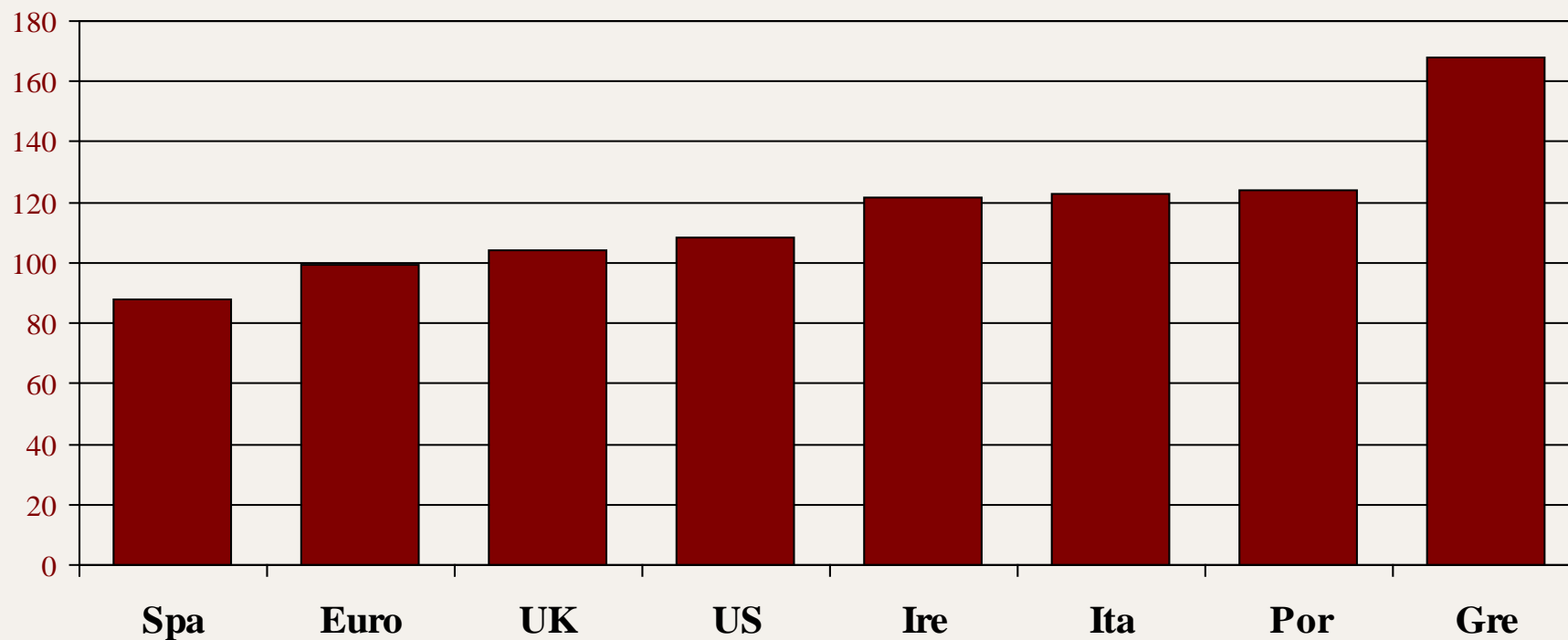


Public budget deficits 2012



Public debt 2012

% of GDP



Different countries – different problems

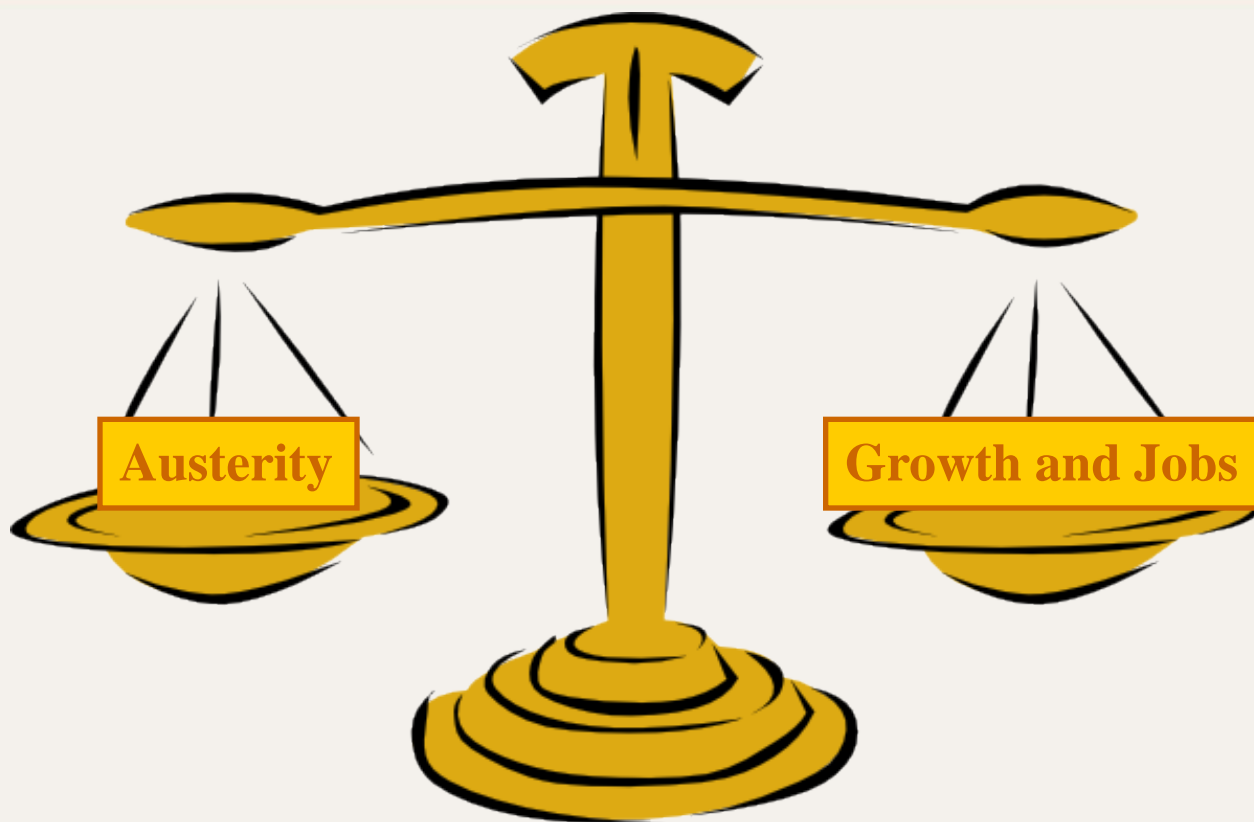
North – South divide, especially on economic growth

Country	Deficit	Debt	Politics	Growth	Jobs	Other
Greece	Bad	Bad	Bad	Bad	Very bad	
Italy	Small	Large, but stable	Was bad, better now	Bad	Bad	Most debt national
Spain	Large	Medium	Good	Bad	Very bad	Public finances fine. Private debt bad
Ireland	Bad	Bad	Good	Medium	Bad	Overexposure to banks
Portugal	Medium	Medium	Good	Bad	Bad	

What the markets wanted

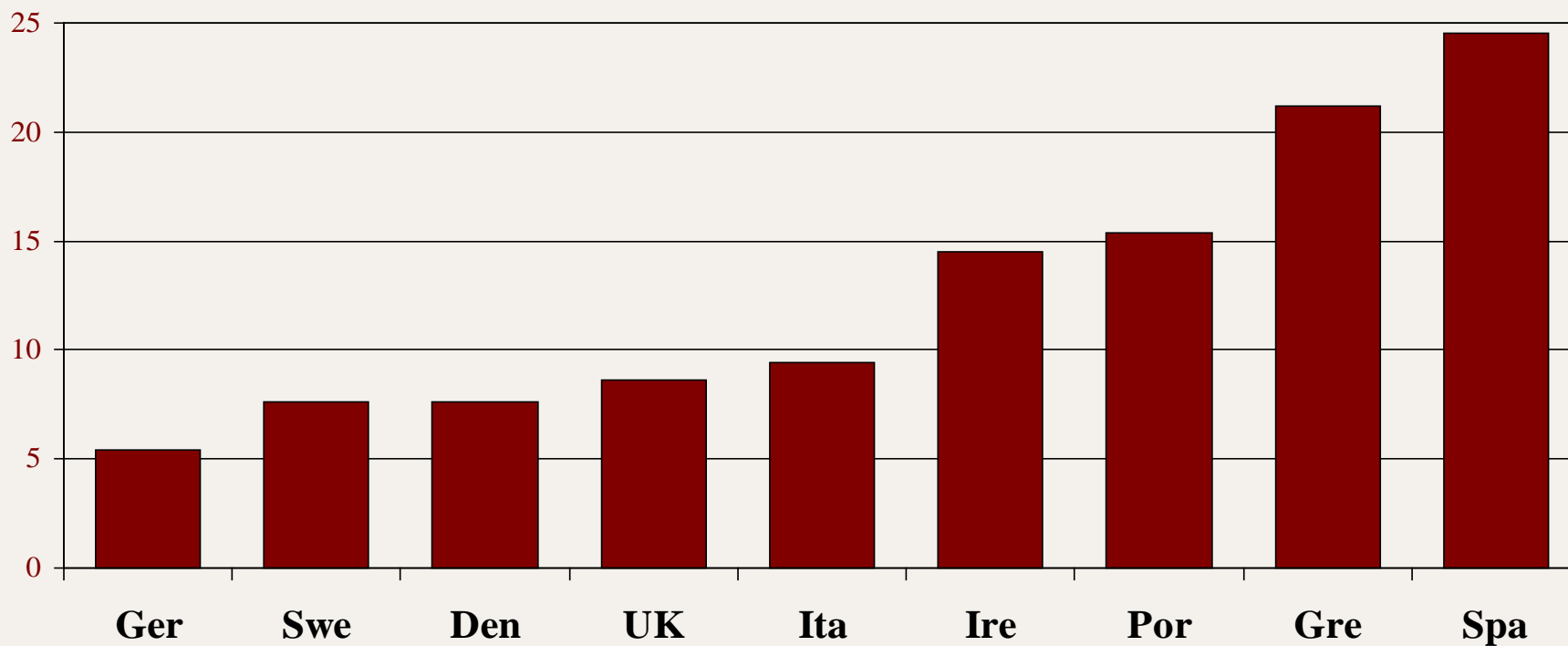
QE

A delicate balance



Unemployment 2012

% of Labour Force



Political and social pressure



Austerity angst spreads to Britain

Source : [International Herald Tribune n°40517](#) Paru le 1 Juillet 2011

Dans [Quotidiens;international](#)

Résumé :

Joining a growing wave of unrest in Europe against stringent austerity measures, tens of thousands of British teachers and public-sector workers across the country walked off their jobs Thursday in protest over proposed changes to their pension plan. Union officials warned that the strike could beth ...



Time to change focus

We must now focus on Growth and Jobs

No power in national budgets. Europe must show its value now

Growth bazooka, including deepening of Single Market (green and digital), Project Bonds, EIB capital, release Structural Funds, free trade agreements

If we don't succeed, social tensions could impact very badly on politics

More bad news ahead for the welfare state

**Demographics means a lot more to
enjoy the benefits – and a lot fewer
to pay into systems**

Pensions

When pensions were introduced in Europe:

Child/School: 0 – 15

Work: 15- 70

Pension: 70 – 74

Working life in % of whole life: 74

Now:

Child/school: 0 – 25

Work: 25- 62

Pension: 62–85

Working life in % of whole life: 43

Second careers

Does it take jobs away from the young?

Social means different things in Europe

Protecting the individual in society

or

Protecting the jobs

Flexicurity is difficult to explain and accept in Southern Europe

Wages or productivity

Is the SAS model the only one?

Can we increase productivity – in private and public sectors?

Will we become more protectionist?

Will anybody benefit from more protectionism?
