

Preface

Two main features of the year 2010 will remain in our memories. Firstly, this has been the year which saw a huge transfer of private bank debt to public debt, in almost all European countries. Secondly, in the wake of this transfer, the governments of most Member States embarked on quasi-punitive austerity programmes targeted at both public and private sector workers, but also at beneficiaries of welfare programmes: the unemployed, pensioners, etc.

These two features show how far we have come from the glimmer of hope which encouraged those seeking progress at the height of the economic and financial crisis of 2008-2009. It was thought that maybe this crisis would trigger renewed discussions on new, fairer forms of economic governance, placing finance at the service of the real economy, which in its turn, would be built into a joint political project, and acting to promote employment and solidarity rather than speculation and greed.

The new form of economic governance, however, as it is taking shape at the beginning of 2011, seems, above all, to consist of a tightening up of budgetary rules and a strengthening of the sanctions to be applied if these rules are not adhered to. Rules are, of course, necessary, but they must serve to further some political project, and, in this sense, the European Union appears to be lacking a coordinated strategy for socioeconomic development. Budgetary consolidation, economic growth and competitiveness have become its 'new' mantras. Even its medium-term political strategy, 'Europe 2020', gives undue importance to providing a framework for national budgetary policies.

There are clearly, however, far broader issues to be dealt with. To mention just three of these, there is, firstly, the need to adapt our production systems to combat climate change. Secondly, we must provide a new regulatory framework and stability for the banking and finance sector, which must also be required to contribute financially to the costs of the crisis it generated. Finally, there is a need to strengthen

the European social model, which proved its worth at the height of the crisis, but which some are now trying to water down in the name of competitiveness.

The European Union, therefore, should concentrate on seeking a new model of development, one which will put an end to the wild accumulation and concentration of capital, engineer a return to social cohesion and justice, and encourage society to adopt a different approach to economic prosperity.

It is with this prospect in mind that the European Trade Union Institute has again worked together with the European Social Observatory to draw up this report on Social developments in the EU 2010. We hope that the analyses it contains will provide material for discussions on the future of the European model, and that these will reach a broad public.

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