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## Jacques Delors: The European project can be a vital part of the solution

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The debt crisis which most Western countries are facing is forcing the EU and its member states to address a fearful dilemma: they need to adopt budgetary adjustment and structural reform while making sure, at the same time, that they hang on to prospects for growth to be able to offer their people hope for the future.

The EU cannot be seen as a community that simply bans deficits by force, be that force legal or political. It must contribute to tackling unemployment and the global slowdown. The EU must be seen to be fulfilling its primary role as a force for growth.

Thus, the EU must achieve the completion of the single market, to make the most of its potential for growth and employment. As Mario Monti's report stressed in 2010, there remains a great deal to be done, particularly in services, the digital economy and public contracts. In its Single Market Act, the European Commission estimated that a growth rate of at least 4 per cent of GDP could be achieved over the next 10 years, and it has recently proposed stepping up the pace.

The EU must also take advantage of its new multiannual budget. It must help to develop European research programmes, and deepen the single market by financing transport, energy and communication infrastructures of common European interest. It is crucial for the €50bn budget the Commission has proposed for 2014-2020 to be approved in 2012, and for this sum then to be put to work in partnership with private funding. After approving the anticipated and more flexible use of the funds earmarked for countries in difficulty, the EU must mobilise an equivalent sum for common European infrastructure projects.

And lastly, the EU, and especially the European Investment Bank, must take the lead in issuing bonds designed to fund future spending, primarily on infrastructure and the environment. This would be a way of responding to massive investment requirements even as the axe is set to fall on such spending in many member states. The EIB is well placed to issue such bonds, and raise its annual funding capability to €200bn (as opposed to the figure of €80bn today) by bolstering the capital and the securities provided by the member states.

These three tools would trigger an almost immediate increase in economic activity and offer medium-term growth. This "growth package" is crucial to ward off the negative economic and social consequences of a continuing flat growth rate, and boost the EU's legitimacy in the eyes of its member states, and the man in the street.

*Jacques Delors was European Commission president 1985 - 1995. This article was written in collaboration with Antonio Vitorino, president of 'Notre Europe', a think-tank founded by Mr Delors*