

## Closing Plenary: How to sustain Europe's ambitions?

By Ferdinand Koenig, EU Reporter

The 7<sup>th</sup> European Business Summit came to a close with a lively debate about whether Europe's future ambitions could be sustained during the current crisis. Are we seeing the 'green shoots of recovery' or are we, as memorably said by the Czech Prime Minister, 'on the road to hell'?

It is, of course, impossible to tell at this moment in time, a fact which made the discussion all the more interesting.

The panel represented a wide range of differing opinions and professions. Present were Björn Stigson, President of the World Business Council for Sustainable Development (WBCSD); Mark Spelman, Global Head of Strategy at Accenture and Chair of the American Chamber of Commerce's EU Executive Council; Thomas Leysen, President of the Belgian Federation of Enterprises (FEB) and Chairman of Umicore; Philippe de Buck, Director General of BUSINESSEUROPE; and replacing the Czech Deputy Prime Minister, Dr Alexander Vondra, who was unable to make the session, Jakub Dürr, the Deputy Education Minister of the Czech Republic.

The discussion began by focusing on the consequences of the financial crisis. It was agreed that there was a real chance that more protectionist measures might be a result of the crisis and the hope was expressed that political leaders might resist the temptation to pander to nationalist sentiments.

Thomas Leysen stressed the need for a strengthened IMF and also said that a review of the governance structure of that organisation would be a desirable outcome of the G20 meeting, while Philippe de Buck mentioned his cooperation with the American Chambers of Commerce in pressuring the new US administration to resist proposals such as the recent 'Buy American clause' proposed for the economic recovery plan.

The extent to which the government should get involved in injecting the economy with cash was a matter of dispute, with Thomas Leysen and Jakub Dürr expressing the opinion that Keynesian stimulus packages should be used with caution, with both saying that there was a need to find a way back to budgetary orthodoxy as soon as possible. All expressed a worry that government intervention in the economy, particularly in the United States, might lead to inflation and exchange rate volatility.

Longer term proposals for reorienting the European economy included a renewed emphasis on greening the economy, a greater focus on education and skills and the need to ensure universal high standards in Europe.

There was a general fear that Europe was losing its edge with regard to its international competitors. Björn Stigson noted that Europe needed to better prepare itself for a world in which resources were scarcer, while Mark Spelman said that Europe needed to set clearer intermediate targets.

He continued by saying that while Europe showed pockets of international excellence, the continent needed to extend that excellence more widely. Jakub Dürr mentioned that too many resources were being diverted to unproductive sectors such as agriculture and said that not enough money was

being spent on innovation and research. He also elaborated on the widely agreed consensus about a 'flexicurity' approach to the labour market and skills.

The anger of the general public about the scale of the financial crisis also came up in discussion. The panel all expressed the hope that electorates around the world would continue to support mainstream parties and not shift their support to extremist alternatives.

The discussion drew to a close with a pertinent observation by Thomas Leysen. Quoting Bill Gates he said 'people always overestimate what can be achieved in the next year, but always underestimate what can be achieved in the next ten'. The next year will be extremely difficult, but with any luck and the right leadership Europe can maintain the right drive and prepare itself adequately to sustain its ambitions.