

Opening Plenary: Is Europe really daring and caring? Is Europe really daring and caring?

Teresa Kuchler, EU Reporter.

A fresh report from the international business school INSEAD has painted a rather gloomy portrait of Europe's chances of finding the proper staff for its future, knowledge based economy.

Although the old continent is strong in terms of basic skills and scoring high points on world literacy ratings; in the professional area there is a major mismatch between skills on offer and skills on demand, said Rudi Thomaes, CEO of the Federation of Enterprises in Belgium, who together with companies Microsoft and Shell had ordered the study.

The report states that the lack of engineers and scientists in all EU member states is particularly alarming, with dire consequences for European job markets.

In January, over 4 million vacancies were not filled while at the same time over 18 million people all over Europe were looking for jobs.

"We desperately need more people in Europe with the skill set which in fact should bring us Europeans on the map in the global economy," Rudi Thomaes said, listing the ability to lead across cultural themes, or understanding and handling innovation and change, as crucial talents for the global knowledge economy.

"It's not because you have a good education system, a good performance on literacy and basic skills... that indeed you are reaching the right level of competitiveness in the world economy, he added.

The authors of the report suggest, among other, skilling and re-skilling of Europeans, persuading young people, and in particular young girls, to study maths and science, as well as earmarking of EU structural funds for innovation and creativity.

They also argued for the creation of a "European Skills Pact" between Europe's educators, employers, investors, policy makers and citizens.

On a more optimistic note, Belgium's newly-installed prime minister Herman Van Rompuy shared his view on European competences and unique qualities to lead the world into a green, post-crisis future with the audience.

He said Europe had a "humane and efficient model, which could be a guide for economic and social policy world-wide; patient, stability oriented and correcting major failures of the free market", and that this would be essential in order to finance, staff and make Europe greener.

"We care by our unique social model... we care by solidarity across borders in the European Union and we care by taking up the world leadership in the fields of energy efficiency and climate change."

Professor of economics Jagdish N. Bhagwati from Columbia University in the US said that while the American believe in free trade ("it's in their DNA"), Europeans in general value "fairness" more; fairness in the outcome for the people of a certain policies.

He agreed with the Belgian leader that in times of crisis, advantages of the European way are visible.

"When people are scared about their jobs, in countries like the US, where you don't have a social safety net... where do you fall back? On the street! the academic said.

From the European Central Banc, vice president Lucas Papademos said the EU now must concentrate in helping banks to recover assets in order to restore their possibility to lend out cash to the private sectors.

EU trade commissioner Günther Verheugen told the audience that before the crisis, policy makers should have had the courage to regulate market or products, which had the potential to destroy global economy.

"The crisis is not the result of individual greed, ruthlessness or mismanagement; it is a collective policy failure, Mr. Verheugen said, He, however, shrugged off criticism that the EU should have taken charge before national economies started falling like domino bricks.

"I cannot accept that Europe is criticised from the same corners who criticise that fact that some people in Europe want more central power and centralised decision making; the very same people

are criticising that we do not have central power and centralised decision making," the commissioner stated.