

Intervention by Danuta Hübner during the plenary debate on "*Europe 2020 - new European Strategy for Jobs and Growth*," 5 May 2010

We live now in one of those phases of European integration when there is a dramatic need to embark on a truly European project. EU2020 can be such a truly European project that would reenergise the unity of Europe. However, for any strategy to be effective, creating strong links between its objectives and available policy tools is essential.

I see four main policy tools as delivery mechanisms for the EU 2020 Strategy.

First, the most important is the internal market regulation, that stimulates competition and economic dynamism, and which recognises social obligations that result from economic integration.

Secondly, this is capital investment in transport, energy and telecommunications infrastructures. We need capital investment on an unprecedented scale. Both public and private financing must be therefore mobilised, in particular public-private partnerships must be strongly promoted. European financial institutions must be strengthened to overcome growth funding barriers generated by deficit and debt bias of national budgets.

Third, this is public expenditure through the European budget. As EU's objectives are primarily horizontal and not sectorial, EU budget expenditures should be based on an integrated approach to development; be combined with strengthened financial engineering instruments and promote opening of our economies to global competition.

Fourth, this is the coordination of national budget expenditures in priority areas through open method of coordination. However, the soft mechanism of this method, even if improved, can unfortunately take us only some way towards agreed objectives of EU2020 mechanism, hence, it can only be a supporting tool.

European coordination must be focused on areas where genuine European value added exists or can develop and where it will not undermine competition. Available policy tools must be used in a way guaranteeing that the trap of a strong interventionist growth model driven by traditional sectorial industrial policy is avoided. This could undermine investment and business attractiveness of Europe, reducing its growth potential. EU2020 must be a growth and jobs strategy. There is no other option.