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President of the European Commission

**Statement of President Barroso
following the Informal meeting of the
European Council**

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Joint press conference

Brussels, 30 January 2012

Good evening, ladies and gentlemen,

Today we had a very detailed discussion on how to boost our economy and this was part of delivering what we have set out to do right from the start: to create financial stability, at the same time to put in place a basis for sustainable growth. As we have said very often – yes, we need discipline, but we also need growth. We have a strategy, and we are staying the course.

It was important that the Treaty establishing the European Stability Mechanism is now ready for signature and the objective is that it enters into force in July 2012. So after all discussions we can now conclude that this was agreed at Heads of State or Government level.

The so called "fiscal compact", the Treaty on stability, coordination and governance in the EMU has also been finalised and it took not so long to agree on it. It will be signed in March and I think that the fact that it was possible to come to an agreement not only between the euro area countries, but by 25 members of the European Union was indeed very impressive.

Now, we have concentrated most of our meeting today discussing growth and employment, namely the programme of youth unemployment, also the problems of our SMEs and the problems of the Internal Market. And the big message around that topic was that we need to deepen the Single Market. We need to do more in concrete terms to create better conditions for growth. And precisely since there is not so much fiscal space for stimulus, because there is no fiscal space in our member states, we should concentrate on the structural reforms that can unleash the growth potential of Europe.

In fact, I have proposed also some concrete policies on fight of youth unemployment, the single market and small businesses. And some of these proposals can be done quickly and make their impact felt rapidly – they can be quick wins, so of course they are not a substitute to medium and longer term structural reforms, but they can have a very important impact in the short term.

To tackle youth unemployment, each member state will prepare a National Job Plan. I proposed that at its core will be a Youth Guarantee which ensures that all young people are either in a job, in training or in education within 4 months of leaving school. The Commission will establish Action Teams with Member States with above-average youth unemployment, namely the eight countries that are the most affected by this problem. They will agree how we can best use the €22bn of European Social Fund money not yet allocated, so that we can improve job opportunities for young people. We can re-deploy part of this funding. The key is to use the best practice across the Union to spark action at the Union level and at the national level too. We want our young people to study, train and work across our Union. With Youth On The Move, we have the programmes to make that happen: Erasmus for studying, Leonardo for training and EURES for job vacancies, and now with these National Job Programmes, part of the National Reform Programmes. As President Van Rompuy said this is indeed part of our exercise in the European semester and the Spring European Council, so on 1 and 2 March we will give concrete guidance to all the European Union member states.

To exploit the full potential of the Single Market, we have agreed to fast-track the Single Market Act and complete the Digital Single Market by 2015. This is indeed important and there were very important contributions from the Heads of State or Government saying what we could do to implement and enforce better the rules of the single market.

To support the small businesses, which form the backbone of our economy, we also must do more internally, with the market access in our single market, but also abroad what they can gain in terms of market access also to reduce the red tape they face and also how to get easier access to finance, because this is one of the main problems SMEs in Europe now face.

Money from the EU budget must be focussed on growth. €82 billion is still to be allocated from the total of €347 billion for the period 2007-2013. I have today proposed that the Member States sit down with the Commission to look at how this money can be reprogrammed and accelerated towards growth related projects. For instance, SMEs can use money from the Structural funds as guarantee for loans they can get in the banks.

I'm pleased that we have also reached agreement so quickly on the fiscal compact. I have already mentioned it. This is a necessary piece of the puzzle, and as you know the Commission has successfully defended a series of principles in the negotiations, importantly no new institutions have been created, the Commission has a central role in delivery of the Treaty objectives always in conformity with the Lisbon Treaty and the Community method; and the Treaty will remain open to all and will respect the vital role of our institutions and everything we have achieved as a Union. And there is in the Treaty, the Treaty that has been agreed today by 25 member states, the commitment to put it maximum in five years in the current Treaties so inside the Community method.

I think this was the most important from this point of view.

So now, this is work in progress and as I have said before, what I think is important is to highlight that we are making a root and branch reform of our budgetary and economic policies instead of falling for the illusion of quick fixes and constant new announcements. It is important to keep the course, to be determined, to be coherent, to be persistent. The reality is that many of our member states are making impressive reforms, but of course some of those results take time to appear. I believe that if we keep this line we will gain back the confidence, not only of the markets, but mainly, and this is the most important of all, the confidence of our citizens.

Thank you.