

**Dialogue Seminar between the European Commission (BEPA), CEC/CSC and COMECE**

**“European Social Market Economy”**

**14 December 2012**

**Introductory Statement by the Director of the Church and Society Commission**

Distinguished Participants in this Dialogue,

Ladies and Gentlemen,

Dear Friends,

I also want to join the choir and welcome all of you on behalf of the Church and Society Commission of the Conference of European Churches to this Dialogue Seminar. There is by now a long-standing tradition of two Dialogue Seminars per Year, which are organised jointly by BEPA, COMECE and CEC. As a study by the Church and Society Commission shows, the tradition goes far beyond the establishment of Article 17 on the “open, transparent and regular dialogue” in the Lisbon Treaty.

From the outset I would want to thank M. Jean-Claude Thebault and Ms Katharina von Schnurbein from BEPA and Mr Stefan Lunte from COMECE as our partners in this Dialogue Seminar, who – together with my colleague Frank-Dieter Fischbach - have contributed so much to the organisation of this event.

I wonder whether there is anyone in this room who still wonders why churches care for the economic model. If this were to be the case, I just want to remind us of some of the “spiritual” fathers of the social market economy, such as Alfred Müller-Armack, who was a sociologist as well as an economist. He was a practising Protestant and wrote about sociology of religion before he wrote on the economy. From him, I wish to quote just one sentence (own translation). It is the task of a social market economy “to combine on the basis of a competitive economy the free initiative with a social progress, which is realised by the economic achievements”.<sup>1</sup> From the very beginning, the model of a social market economy aimed at keeping competitiveness and social progress and social cohesion together.

Today we are going to discuss our understanding of a social market economy at a time of a European financial and economic crisis. Just as we sit here in the Charlemagne Building, the Heads of State and

Government are sitting in the Justus Lipsius Building on the other side of the street seeking ways out of the crisis which the President of the European Commission, José Manuel Barroso called “the biggest challenge in the history of our Union. The crisis is financial, economic and social. But it is also a crisis of confidence”. (State of the Union Address, October 2011). One might wonder whether it is appropriate – in a time of crisis when mechanisms of crisis intervention are sought - to look for a long-term economic model. I would say “Yes”, it is appropriate. Looking on the longer-term perspective will also help us to see what kind of measures need to be taken in this moment of crisis, just like the EU 2020 Strategy is not suspended due to the crisis. But what does it tell us if and when the social aspects of the strategy are largely put on hold from the semester reports?

COMECE and CSC/CEC, since many years, have invested in a reflection on the social market economy. COMECE has carried out its own study. CEC/CSC has worked together with member churches on the concept<sup>ii</sup> and has addressed particular issues in relation to the social market economy in a global context.<sup>iii</sup> With this Dialogue Seminar, we want to highlight some of our findings and pending questions and to bring them into the dialogue with the European Institutions as the crisis intervention continues and the EU 2020 Strategy (hopefully) develops its force in all of its dimensions.

A social market economy is a declared aim of the European Union itself. In Article 3(3) TEU, however, the term social market economy is amended to read “a highly competitive social market economy”. Does that suggest a new emphasis? Art 119(1) of the TFEU even speaks of “an open market economy with free competition” Does this entail a disruption of the balance between competitiveness and the social component? It is good that the first session of our Dialogue Seminar, will focus on how we understand the model of a “social market economy”. What are its guiding and underlying principles?

From there we will discuss whether there is any convergence towards a social market economy in Europe. There is a common market, but there are still different national economic models. The Nordic countries are proud of their welfare systems, others tend more towards or give in to liberalisation with social regulations. Seen from the outside, however, the convergence seems to be even more visible. But what do the still different approaches in EU member states have to contribute to a (potential) European model?

And last but not least, this Dialogue Seminar will look onto the issue of youth unemployment. We have heard alarming figures from many EU member states. It seems to me that addressing the issue of youth unemployment will be a real test case for Europe. Which future is Europe going to offer to the young generation in our societies has implications for present times. This will also have repercussions on the trust young people can develop in Europe. The EU youth employment package, adopted last week, is certainly a commendable step in the right direction.

With these few introductory remarks, I wish to welcome you all again and to thank all those who will enrich this Dialogue Seminar through their presentations and contributions. I always find it amazing to see which richness and expertise these Dialogue Seminars bring together, expertise from a

European policy perspective or insights from national or very local setting, expertise of politicians and/or faith-based communities. All of them are worth listening to, and the art of such Dialogue Seminars is to combine them into a fruitful and meaningful discourse.

Thank you!

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<sup>i</sup> In German the quote reads: Das Wirtschaftsmodell der Sozialen Marktwirtschaft soll "auf der Basis der Wettbewerbswirtschaft die freie Initiative mit einem gerade durch die wirtschaftliche Leistung gesicherten sozialen Fortschritt verbinden".

<sup>ii</sup> Cf. Remodelling the Social Market Economy from an ethical standpoint, ed. Evangelical Church of Westphalia, Bielefeld 2009.

<sup>iii</sup> Cf. <http://csc.ceceurope.org/issues/social-and-economic-issues/> and in particular: Church and Society Commission of CEC, European Churches living their faith in the context of globalisation, Brussels 2006.