

**Shaping European Economic and Social Policies in Times of Uncertainty**  
Church and Society Commission of the Conference of European Churches  
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Introductory statements on behalf of the Czech Presidency

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Good afternoon Ladies and Gentlemen,

it is a privilege for me to take the floor and address you on behalf of the Czech Presidency .

The Lisbon Strategy was launched almost 10 years ago and we should not forget that its main aim is to make European Union the most dynamic and competitive knowledge-based economy in the world. And yet, we have to admit that we will not achieve this goal. In 2010, most of the Lisbon objectives will remain unmet.

However, the structural reforms defined by the Lisbon Strategy were surely a step in the right direction and they must be pursued further. The unprecedented economic downturn strongly affects the current discussion on the priorities of the Strategy beyond 2010. Quite understandably, many of us are now focusing more on social aspects, call for more state interventions and more billions of Euros in various social programs to fight the consequences of the crisis. Yes, that is understandable, because lot of people in Europe have already been hit by the crisis and many have been hit hard. But, if something is understandable, it does not always mean that it is necessarily the right thing to do.

As for those that have lost their jobs, the social system must be able to provide them with financial aid, give them relevant advice and assist them to find a new job. This should work as a sort of trampoline, pushing people back to the labour market as soon as possible. However, the European welfare system often creates a

mentality of dependence that is bad not only for public finances, but also for the individual and the society as a whole.

Since this meeting has been called together by the Conference of European Churches, I hope you are not going to consider it inappropriate if I quote Apostle Paul in the second Thesalonians: "If a man will not work, he shall not eat". And in the first Corinthians we can read: "And every man shall receive his own reward, according to his own labour".

We would probably all agree that for an individual it is far better to be employed or self-employed and to be active than to stay on social benefits. With the exception of those, of course, that for obvious health or other reasons cannot work. Unemployment, particularly long-term, is deeply destructive. The social protection system should motivate people to actively pursue their way back to the labor market and not to live on state aid.

The Europeans do not easily accept the fact that some individuals or groups might receive inappropriately more public support than others. That is not only serious social injustice, it is also very dangerous for the social cohesion. Public support should be addressed massively to those who really can't work. Our fellow mentally or physically handicapped citizens, long-term ill, mothers with children. They all deserve our maximum assistance, not people who could have a job, but just don't want to. It is deeply unfair if a mother that stays at home with small children - which is not an easy task - and brings up future citizens and tax payers, gets less help from the state than an unemployed young man who for sure can work.

In conformity with the Lisbon Strategy, our position is that the logical way to reduce poverty and social exclusion is to support growth and jobs. Either we will have a flexible labour market, or the potential investors will rather choose other continents when deciding about their investments. We live in a globalized world. If all industry moves out of Europe, there will be no one who will hire people and no one to pay taxes to finance the social welfare.

We should be careful in setting too ambitious goals for the next years in the social agenda. More social help, more social rights, more social services, more state money to suffering companies, more employees rights ... this all sounds nice, but ... it costs a lot of money and you know that several Member States are already breaking the rules of the Stability and Growth Pact.

That does not mean that we underestimate the importance of social policy. Not at all. We believe in social services and we made them one of our Presidency priorities. We see them mainly as a tool for active social inclusion of the most disadvantaged persons and also as an area of growing employment opportunities. Last week in Prague we hosted a ministerial conference on social services that was primarily focused on mobilising workforce, strengthening social cohesion and preventing social exclusion.

This is perhaps the right moment to mention the other 3 of our 4 Presidency priorities. They are the Geographical and professional mobility of workers in the European Union, Horizontal support for families within EU policies and Increasing Employment through the principles of Flexicurity.

Well, back to the future of the Lisbon Strategy. It is necessary to deepen the structural reforms in Member States. The social agenda is not an isolated island, it is closely linked with the labour market and the overall economic situation. That means that we should focus on reducing the welfare state, limiting the rigidities of the relations between employers and employees, clearing the field for individual activity and entrepreneurship. We should concentrate on removing remaining barriers and avoiding creation of new ones in order to achieve a fully operational internal market, which can create new business opportunities, increase competition and motivate companies to be more innovative. We call for strengthening of business-friendly and predictable environment with less administrative burdens.

To conclude, we believe that only strong European economy will be able to take care of the social needs of European citizens. Thank you for your kind attention.