

José Manuel Durão Barroso

President of the European Commission

**BEYOND THE CRISIS: RECONCILING GROWTH,
WELL-BEING AND CITIZENS' PERCEPTIONS**

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

**Well-Being 2030 Project Inaugural Conference – European Policy
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Mr Martens,
Ladies and gentlemen,

I would like to thank the EPC for inviting me to this conference to launch the "Well-Being 2030" research project. It seeks to answer some very challenging questions: how might we contribute to social well-being in the period up to 2030? What are the political issues? What should the EU's response be?

We are entering largely uncharted territory. There are, however, some interesting references. For example, the British enlightenment thinker, Jeremy Bentham, who once said that: "The best society is the one where the people are happiest, and the best policy is the one that produces the greatest happiness". But essentially, when it comes to the concept of well-being in public policy, we must recognize that this is a relatively new and very exciting area of thought and action. And that is why I am so happy to be at today's event.

So, where are we now?

Social realities are changing, as a result of globalisation, ageing, the shift to the knowledge-based society, the increasing scarcity of fossil fuels, climate change and changing patterns of family life. This raft of changes is generating a feeling of insecurity among our citizens. Present generations even feel that their children, twenty years from now, may have a worse quality of life than they do. This is the first time in Europe since the end of the Second World War. The current economic and financial crisis compounds this upheaval.

Yet Europe is an affluent society that saw high rates of growth before the crisis and created millions of jobs in a very short space of time. And our Member States rank amongst the first places of the major International Organisations' development indexes. But European society still harbours a latent pessimism. This is a paradox familiar to economists, the Easterlin paradox: an increase in gross domestic product does not automatically lead to an increase in perceived well-being.

This growing gap between the picture painted by statistics and people's perceptions of their own living conditions threatens to undermine the credibility of political debate and action. It feeds the growing distrust of politics and politicians. It may even provoke populist excesses which could pose a serious threat to the functioning of our democracies.

We need to close this gap.

This is precisely the aim of the exercise you are launching today - Well-Being 2030, to find ways of bringing together economic growth, well-being and citizens' perceptions.

Some theoreticians believed for a long time that the key aim of policies was just to stimulate growth in production and that this in itself would promote progress. Today, we no longer take such a narrow view. We are much more aware of a broader range of factors, such as environmental quality and social cohesion. So, it is obvious that GDP can no longer be our sole measure of progress. We need to develop complementary tools.

But first of all we have to try to understand what is well-being.

For the citizens, well-being is mainly made up of: quality of work, quality of life and quality of society. In other words, well-being is not determined chiefly by resources, but by other aspects of people's lives. These factors include access to education, the health system, the quality of their job, work-life balance, equal opportunities, the quality of public transport and services, low crime levels and their sense of security. However, perhaps the most important factors are our social ties and the quality of our personal relationships. This is what fosters our self-confidence and the levels of trust in society.

We need a better understanding of what makes up collective well-being so that we can steer public policy. We need to fine-tune our statistical tools and analytical instruments for measuring expectations, people's degree of satisfaction, how they spend their time, and the measures to conserve the environment and remedy inequalities necessary for our sustainable well-being. We need a new frame of reference to steer economic and social policies better, take account of new concerns and plan for the future.

Hence the idea of looking "beyond GDP". The Commission has embarked on an in-depth examination of quality of life "beyond GDP". For several years we have been working on this matters and in a 2007 Conference, which was very successful, we have launched further work that was the basis for the Communication we presented last September.

This debate has become more recently global thanks also to the work of the Stiglitz Commission on the Measurement of Economic Performance and Social Progress, which will enable us to redefine collectively what we mean by progress, including social and environmental progress.

For me, as President of the Commission, looking ahead to 2030 and choosing the right strategy for the future demands first and foremost that we answer one key question: in what sort of society do we, the people of Europe, want to live?

In Europe there is a very broad consensus in favour of society that is more dynamic, more open, more coherent, better educated and more cohesive. To achieve this we will have to overcome great challenges: creating the conditions for dynamic and sustainable economic recovery, the improving our performance on education and training, preventing inequality between generations as a result of demographic change; remedying the continuing inequalities between men and women; fostering the social integration of the migrant workers our societies need; avoiding the risks of social polarisation owing, in particular, to rising poverty and declining social mobility.

Meeting these challenges demands that we propose a clear political vision of where we are going. This is what I tried to do when presenting my political guidelines for the new Commission and my vision of Europe in 2020. And you will be doing the same when you present the results of your study two years from now.

Needless to say, the Commission has not just discovered the concept of well-being! The social reality stocktaking exercise that we conducted in the EU in 2007 led to a new social vision for 21st century Europe built around three strands: opportunities, access and solidarity. This was followed in June 2008 by the renewed Social Agenda, which offers a new vision for the pursuit of the EU's social objectives. The aim is to give children a good start in life so that citizens can achieve their potential, get an education, progress on the job market, be able to

count on good-quality assistance, health and care services, and play a part in society, while fostering a sustainable system of social cohesion, so that no one is left behind.

But will have collectively to go beyond that. We know full well that looking ahead to 2030 means changing the way we do things in the interests of future generations. We have to change the way we live, consume and produce. A paradigm shift is called for.

The worsening impact of global warming is an instructive parable of the overriding need for change. The financial crisis is another, since it illustrates the excesses of certain financial growth models characterised by lack of transparency, short-termism and unforeseeable risks. We must embark on a new economic and social model, that of sustainable development.

That is why I am proposing in my vision for 2020 to invest in new sources of growth, sources of sustainable growth. This means investing in the green economy, knowledge, research, innovation, energy efficiency, but also in social cohesion. We need to invest in our infrastructure, in our creativity, in clean technologies but also in our people. By way of example, demand for green products and services is expected to double by 2020, but jobs for carers in the social services are also set to increase rapidly.

Looking ahead to 2030 therefore means rethinking our growth model: we need to move away from "ever more" to "ever better". In a way, we need to restore a basic rule that we have perhaps tended to forget: the primary purpose of the economy is not to accumulate material riches but to guarantee people's quality of life!

If we are to succeed, we have to change the way we make policy in Europe.

As I wrote in my political guidelines, the solutions to today's challenges must come from society if they are to meet the people's needs. Citizens must be at the centre of the process. We need to gear the European agenda more clearly to the rights and needs of Europeans, be they students, workers, entrepreneurs or consumers. Our policies must be focused on quality of life and foster social innovation.

The EU has to integrate these aspects into a coordinated strategy that creates powerful synergies between social, economic and environmental policies. This is not a luxury for Europe, it is a necessity.

It is by guaranteeing our citizens' well-being that we will restore their confidence in the future and regain their strong backing for the European project which has brought our continent freedom, security, solidarity and great prosperity.

Ladies and gentlemen,

We have exciting challenges ahead of us. The results of your research will enable decision-makers to improve policies, foster social progress in all areas of European life and improve the functioning of our social market economy and generally our democracy. The only friendly advice I have for you is this: think freely and dare to be visionary!

The European model of society needs innovative ideas so that we can reinforce it while responding to the challenge of global competition.

Thank you.