

WITHOUT INVESTMENT, AMBITIOUS GOALS ARE JUST WISHFUL THINKING

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The objectives that Europe sets are tremendously ambitious. In a very synthetic way (i) create a globally competitive economy based on innovation and knowledge. (ii) Promote growth with a lower impact on the environment, saving resources and materials and without emitting carbon and (iii) articulate a more inclusive social system, with quality jobs and equal opportunities for all people ([Europe 2020 Strategy](#)); “turn the sock inside out”, don't you think?

However, the real priorities, the ones that citizens perceive most clearly, seem to go in a very different direction: strict control of the public deficit that calls into question basic services such as education and quality healthcare for many Europeans, a tremendous effort to save the banks to the detriment of the real economy and multiple and repeated structural reforms to make markets more flexible and streamlined, and in particular the labor market, which presents unemployment figures in Europe intolerable. All this with the promise that if we manage to maintain the pillars of the capitalist economy, if we make it work properly, it will return us to the long-awaited path of economic growth in which it will be easy to achieve the grand objectives that we have set.

As many authors fear ([see Mariana Mazzucato, here](#)), however, [the functioning of the markets alone will not be enough. It was not before entering the great depression of 2008, a consequence, to a large extent, of their debacle, and much less so now that we continue to face the same challenges of transforming the productive system, sustainability and social inclusion. , but we are exhausted, without many ideas and the crisis has left us without resources.](#)

If Europe wants to remain credible, the moment of truth has arrived, the moment of politics with capital letters in which it is necessary to align the vision pursued, which continues to be very valid as it stands, with the mission of the public sector as a whole and, very especially, with the economic, institutional and human means that we make available.

The mission of European policy cannot continue focused on regulating to facilitate the competitive functioning of the markets, limiting itself to interventions to put patches on the more than evident failures of efficiency in the allocation that these generate due to the numerous environmental and other types of externalities , the lack of information, the presence of public goods of strategic importance and many other conditioning factors. It is increasingly clear that the great challenges of European politics will not be overcome only by facilitating the functioning of the market economy, ***the public sector must be directly and more actively involved in promoting new spaces for interaction , in new markets that private agents alone cannot design and operate efficiently and with the required time urgency.***

These new markets are related to a double binomial that presents great challenges: (i) climate change and energy, on the one hand, in which the future of life on the planet as we know it is at stake, and, on the other (ii) the health and well-being of people that require radical new approaches for an increasingly aging population and a more polarized society. To be coherent, Europe has to focus the transformation of its productive system on both pairs so that the important scientific and technological advances and the demands for innovation in the way of thinking, acting and doing things that will be necessary to face up to the challenges (renewable and sustainable energies, new modes of clean production, transformation of the transport system, biotechnology...) are activated as true catalysts for the pursued intelligent and inclusive growth.

In this renewed and titanic mission that is proposed, the public sector will have to ***move from being primarily "guarantor of the functioning of the market" to being "active promoter of markets"*** . This will require a complete process of institutional and organizational reengineering to promote more active and directed policies, more transversal, better coordinated and with a greater long-term vision, which serve to create new channels and work very closely with the private sector.

And this is impossible without a more decisive and substantially greater public investment from the public administrations as a whole, capable of dragging the whole of the European economy along with its momentum. Clearly it can be done and we have the example of the speed and efficiency that Europe has used to finance the reorganization of its financial system, with very profound institutional changes and unimaginable amounts of public funds. But for this to happen, a lot of conviction and great leadership are needed.

The so-called "[Juncker Plan](#)" is undoubtedly an initiative in the right direction , but it is more than likely that it expects too much from the market (15 private Euros for every Euro of public financing) and it is not enough to face the great economic, social and environmental transformation that Europe needs. ***And without funds, plans and nice wishes do not go from being exciting chimeras.***

Accompanying image is by [Paul Nasca](#) at [Flickr](#)

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