

**Intervention by Professor Danuta Hübner during the ECON committee meeting of 2 June 2010 on *the funding and functioning of the European Globalisation Adjustment Fund***

1. As we are entering the period when the dominating buzzword will be "fiscal consolidation", it is clear that with less public money more will have to be done. Hence, the efficiency of using public money, both European and national, will have to be higher. So what is said in point 1 in the Opinion is right. We should urge the European Commission to "rapidly submit proposals for the improvement of the fund".

2. What is also rather obvious is that we are facing deep structural transformation in European industries. Industries and enterprises that had been leading or doing well before the crisis hit, are often in trouble nowadays. It is reasonable to expect that new jobs, if created, will be created in new sectors. There are new expectations of consumers and new markets emerging. Moving toward low carbon economy implies huge structural transformation. All these changes have impacts on our society. But in all these changes there is both a challenge and an opportunity. It is therefore crucial how we respond to problems and challenges. The way we address the structural challenge and its consequences must not kill the opportunity.

3. I hope we can agree that today it is important to identify new engines for growth and competitiveness and focus on them urgently. That is what EU2020 is supposed to be about. We can probably also agree that EU2020 is not a greenfield strategy. There is a European economic and industrial reality. There is an industry in Europe, with its structure and competitiveness. This strategy is about launching new elements, but also about changing old patterns and structures. Without doubt, there is a need to strike the right balance between jobs that should be protected and those that should be replaced by new ones and this is very difficult.

4. We will need a lot of growth in the European Union and we realise that part of it can be jobless growth. So let me emphasise that, to generate jobs it is pivotal to avoid policies and policy tools that could reduce European capacity to compete globally in a sustainable way. This could negatively affect our growth and jobs creation capacity. In this context, I have serious doubts with regards to your points 2, 3 and 6.

5. With those instruments we can slow down the structural change in our industry, offering negative incentives to enterprises. We can petrify existing structures, which are not competitive enough. We must aim at sustainable jobs which will not be lost to emerging economies. And sustainability of jobs can only be achieved in a competitive industry. The Globalisation Fund should be about supporting structural change, about expanding our capacity to restructure successfully, in a sustainable way.