

## DEBATING PROGRESSIVE REFORMS IN HELSINKI

### MJR meets leaders of Finland's Social Democratic Party

11/02/2016 - Helsinki, Finland

MJR discussed a European agenda for progressive reforms and investments with the Social Democratic Party of Finland today. New sources of growth, based on innovation, productivity, natural resource efficiency and reduced social inequalities were the key issue. MJR presented the latest work of the Party of European Socialists on progressive reforms and investments. In addition, she outlined the main messages of her European Parliament report on Europe's economic priorities for 2016, notably the need for stronger domestic demand.

During a working breakfast with SDP Chairman Antti Rinne, MJR discussed a new economic policy for Finland, helping to overcome the country's recession resulting from a downturn in paper and ICT industries. They agreed on the crucial role of investment in innovation and education, as well as on the need to use European financial instruments in a way that maximizes job creation. They also discussed ways of dealing with Europe's refugee crisis, stressing the need for investment in a properly functioning European border, ensuring security, necessary humanitarian assistance and swift assessment of asylum applications.

MJR gave a speech to the SDP Group in the Finnish Parliament and had an in-depth debate with its working group on EU affairs. She reminded that the EU's Lisbon Strategy for growth and jobs has been inspired, since 2000, by the Finnish model of competitiveness based on innovation, education, natural resource efficiency, low social inequalities and strong dialogue between businesses and trade unions. In other words, competition based on quality and productivity, not on cheap labour. This is also the central idea of the Europe 2020 Strategy, which now needs to be updated to reflect the legacy of a long economic and social crisis as well as new trends such as climate change and digital revolution. MJR contrasted neoliberal reforms based on flexibilisation of the labour market with progressive reforms aimed at modernizing the European economy and improving productivity through smart industrial policy, resource efficiency, investment in innovation and education as well as progressive tax policy.

In the debate, the chair of the SDP's EU working group Tytti Turupainen stressed the need to improve European fiscal rules, enabling to undertake more countercyclical policies. Investment expenditure should be more clearly distinguished when assessing public budgets - this is entirely consistent with the principle budgetary discipline. Other participants pointed to the possibility to use public procurement better, excluding companies with links to tax havens; highlighted the importance of reducing tax avoidance by multinational companies; proposed new ways of providing greater support to young entrepreneurs; and advocated excluding from EU deficit and debt calculation all expenditure dedicated to dealing with Europe's refugee crisis.