



**“Construction and the Global Economic Crisis: Finding solutions for renewed jobs and growth”**

**FIEC Conference - 19<sup>th</sup> June 2009**

**Political conclusions**

**FIEC Vice-President Bernard Huvelin**

*(Check Against Delivery)*

Ladies and gentlemen,

I think that before we speak about the impact of recovery plans on our businesses and our professions, it is important for us to stop for a moment and look back at the origins of the recession in which we now find ourselves.

It seems clear to me that the recession we are currently experiencing is largely due to the fact that, for at least 10 years, we (using the word “we” in the macro-economic sense of the term) have been financing artificial growth by taking on massive – often very massive – levels of debt, by which I mean both public debt and that taken on by companies or households.

The statistics on these debt levels are overwhelming, especially as they go back such a long way and must have been known to the people who govern us – in other words States or international or supervisory bodies - must necessarily have been aware of them. However that is another problem...

The main problem we face today is that we are aware that the situation in which we find ourselves necessarily poses a problem in terms of the financial resources needed to implement the planned steps. States, many of whom are suffering from high levels of debt, have to succeed in freeing up the necessary financial resources for the recovery plans without saddling future generations with excessive debt repayments. This should not however prevent Member States from carrying through their recovery plans to find a way out of the current downturn.

Today’s speakers have put forward solutions to today’s situation. It seems appropriate to remind different public decision makers that the essential tool they have to spur recovery in the short term is speed of action. This is the transformation of political commitment into concrete action.

Understanding and ensuring that this is translated into action, that investing now rather than in 6 months or a year will contribute to the recovery... that is the most effective first step towards ensuring the success of this recovery.

But when we look at what unfortunately is going on in many European countries, we can see that this principle of speed, on which all politicians in all countries agree, is thwarted by maintaining administrative and procedural inertia, as a result of often old routines which seem extremely difficult to combat effectively.

So, on this point, I feel it is important that we remind ourselves here of the FIEC’s position: rapid decision-making and implementation are crucial, but if we are going to achieve this, we need to ensure that the executive arms of those who need to take action understand that exceptional times call for exceptional behaviour and, in any case, they must accept and understand that they need to break out of their routines.

I might also add that a cultural revolution is needed to ensure that this increased awareness of the need for speed, which is highly perceptible among political decision-makers, is passed on to the various levels of implementation, where there are still so many obstacles, again linked to habits, which it would be a good idea to break.

This is the first point I wanted to talk about in relation to the recovery.

I would now like to mention a second aspect, although it does have some points in common with what I have just been talking about, and this is the problem of sustainable development, in the widest possible sense of the term.

First of all I would like to offer a reminder that we - as construction companies in the wider sense - have not waited for the subject to become fashionable to start thinking about “sustainable development”, again in the widest sense of the expression. This probably explains why we have built up a huge amount of knowledge and know-how in this area which we should now consider.

Indeed, we now have a combination of the need to deal first of all with energy-saving and greenhouse emission-related problems, and also look for sources of business on which we can take rapid action in order to contribute to the recovery.

So here we have a series of projects which are necessary from an environmental point of view together with the general desire to create jobs likely to help foster a recovery: we need to grasp this historic opportunity to realise the big ideas we have been developing up until now a reality and speed up the work which is already well underway.

There are two conditions which we feel are essential in order to give this fresh impetus to these operations which are so vital to our future:

- First of all we need to apply pragmatism and efficiency wherever possible, so that we can prevent good ideas from getting too bogged down in nit-picking, perfectionist procedures. Taking action now, even if there are a few imperfections and uncertainties, will still be better than waiting for a number of years until all the ideologists and technocrats have reached agreement on how things should be done.
- Then we need to trust the people I mentioned just now who have this know-how and experience, in other words construction companies. They can make contributions first of all in implementing “sustainable development” projects in Europe and then in the dissemination of techniques and know-how in all of the countries of the world where – even more than at home - the future of the planet is being played out environmentally.

The recovery, which all our economies need, especially if - as many countries are choosing to do - it involves investing in infrastructures and speeding up the taking on board of sustainable development, is at the same time all about two key elements for our businesses and their immediate futures, but also – and above all – it is a way of showing that, through their capacities, skills and their wealth of human resources, our companies are capable of contributing a great deal to the community both in the short term and in preparing for what lies ahead of us.