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**UNICE : PROGRESS ON SUBSIDIARITY IS CRUCIAL TO MAKE  
BETTER  
EU LEGISLATION, ENHANCE COMPETITIVENESS AND JOB  
CREATION**

In view of the informal European Council on the future of the European Union to be held in Pörschach (24-25 Oct.), UNICE invited heads of State and government to review progress in making the Union more open, more responsive to the interest and needs of its citizens and more effective in operating the principle of subsidiarity.

European business fundamentally agrees that Community action should only be taken where there is a clear added value and where it can be proved that a Community objective can be better achieved at European level than national or regional level.

UNICE therefore :

- strongly supported the inclusion of the Protocol on subsidiarity and proportionality in the Amsterdam Treaty;
- is convinced that rigorous application of the principles of subsidiarity and proportionality is an important step towards better quality legislation in the EU : simple and more effective Community action - avoiding unnecessary constraints, especially on small and medium companies - will help improve competitiveness, achieve growth and a high level of employment in Europe.

However, it is indispensable to differentiate between the different policy areas when assessing how the principle of subsidiarity should be applied.

On the one hand, subsidiarity should in no way serve as a pretext for Member States not to implement the rules necessary for a properly functioning single European market, especially in areas such as competition policy and technical barriers to trade.

On the other hand, as far as social and employment policies are concerned, 15 different national social security and industrial relations systems co-exist in Europe. Harmonisation of these systems is not a pre-condition for operating a single market or progress to political union. The different traditions and practices must be respected and preserved while being allowed to evolve and develop naturally in the EU.

It is also to be noted that the incorporation of the protocol on Social Policy into the Treaty has increased the role of the social partners and added a new dimension to the principle of subsidiarity. UNICE calls therefore on the heads of State and government to take account

of this new dimension by preserving the autonomy of the social partners at all levels and respecting their freedom to conduct social dialogue.

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