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**ADDRESS BY GEORGES JACOBS,
PRESIDENT OF UNICE**

President,
Members of the Convention:

I would like to thank you for the opportunity that UNICE has been given to express its views today.

UNICE is the voice of some 16 million small, medium-sized and large European companies. It plays this role not only vis-à-vis the European institutions but also in the framework of the social dialogue recognised by the Maastricht Treaty.

It is in our capacity as a social partner that we participate, with observer status, in the work of the Convention.

The purpose of my address is to present to you how European companies conceive the contours of tomorrow's Europe.

Missions, objectives or values

One of the main objectives of the existing Treaties is to promote economic and social progress in conjunction with a high level of employment.

Despite the ground already travelled, much remains to be done to achieve these objectives, especially in tomorrow's enlarged Europe.

Only a democratic and functional Europe whose decisions enjoy broad support will be in a position to restore a better climate of confidence and, in the longer term, to maintain peace, stability and the prosperity of our continent.

Europe has been built on values in which fundamental freedoms play a central role. Freedom to do business is one of these fundamental freedoms.

Europe needs to give itself the means to protect these values by ensuring greater synergy between its economic and social policies.

Two core projects lie at the heart of the EU's success:

- its internal market,
- its single currency.

These two projects have been the most powerful vectors for the economic and social cohesion and effectiveness that have characterised Europe for several decades.

If Europe wants to be able to put in place other projects of comparable compass, its institutional framework and decision-making mechanism must be reformed in order to:

- strengthen its competitiveness, increase its adaptability in the face of structural change and improve its employment prospects;
- ensure the long-term success of the internal market and economic and monetary union;
- make a success of enlargement (without undermining or diluting the *acquis communautaire*);
- improve its capacity to defend and promote European interests at international level.

Avenues for action

In UNICE's view, the following avenues for action should have priority in the framework of the Convention:

Well-functioning institutions

Emphasis should be placed on extending qualified majority voting in order to achieve this result.

This extension of qualified majority voting, which business supports, presupposes an attentive examination of the division of competences between:

- the different decision-making levels: vertical subsidiarity demarcating the respective roles of European levels (national, regional and local), but also
- between the different players (horizontal subsidiarity demarcating the respective roles of the European institutions and the social partners as recognised by the Treaty).

Competences and nature of instruments used

In the areas where the EU will have competence to act, the question of the nature of instruments at its disposal needs to be addressed. In the past, the EU has given preference to the legislative route to the detriment of other instruments, such as co-regulation and open coordination, which should also have their place in the Convention's deliberations.

Consultation of civil society and role of social partners

Consultation of civil society

If Europe wants to move closer to its citizens, including its business people, it needs to be more open and more transparent.

Every effort must be made to ensure effective consultation of the main organised players in civil society. UNICE will come back to this issue which it has already developed in the framework of the debate on governance.

Specificity of the social dialogue

However, as a social partner at European level, UNICE calls for a very clear distinction to be made between the social dialogue and consultation of civil society.

The social dialogue at European level is a clearly structured and autonomous process involving the social partners. In the framework of the Treaty's social chapter, the social partners have a responsibility for political decision-making which cannot be extended to other areas or other players in civil society.

Conclusion

The Convention offers the European Union an historic opportunity to prepare its future in a rapidly changing world.

UNICE, with observer access to this Convention, will endeavour to make its contribution to seeking out solutions to the problems I have outlined.

Thank you for your attention.
