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THE EU COMPETITIVENESS COUNCIL NEEDS TEETH

The relaxed approach taken so far by the Competitiveness Council fills the European business community with dismay, because the Competitiveness Council actually has an important - and urgent - role to play in addressing the current economic problems of Europe. The Competitiveness Council was created last year out of a merger between the former Internal Market, Industry and Research Councils. But in addition, the Competitiveness Council has a special mandate, which was formally given to it by Heads of State and Government at the Spring Summit two months ago. It says that the Competitiveness Council must actively assume its role of enhancing competitiveness and growth. It must watch over all proposals considered likely to have an effect on Europe's competitiveness.

The conclusions of the meeting on 13 May contained not even a hint of the possible negative impact of the proposed chemicals legislative package. At the meeting on 19 May the long-running saga of the proposal for a takeover directive was referred to the Permanent Representatives Committee for further "examination". At that same meeting, Ministers discussed the Commission's internal market strategy but, according to the minutes, only "commented on" the transposition deficit and then "agreed to revert to the Internal Market strategy at its session in September".

The Competitiveness Council must become a standard-bearer for the vision set out in the Lisbon strategy, to make Europe the most competitive economy by 2010. This unambiguous goal was defined three years ago by Europe's top political leaders, with a clear set of objectives and an equally clear timetable for them to be met. But it seems that the chancelleries of Europe are finding it difficult to kick the habit of business-as-usual, in which proposals are debated endlessly and eventually shorn of most of the benefits they could have conferred, in large measure because politicians lack the political will to give precedence to the wider picture over national sensitivities. The Community patent is one example.

This is where the Competitiveness Council can, and must, come into play. It already has the mandate. It should now develop the stature to turn a credible spotlight on inadequacies that would stand in the way of Europe's stated goal of competitiveness. More concretely, it must give clear statements on whether EU legislative proposals would enhance competitiveness and, gain authority relative to other Council configurations. It must be able to give evaluations that contradict the opinion of other Council formations, if this is needed, for example to stop legislative measures that could hamper European competitiveness.

European policy-makers lack the sense of urgency inherent in the competitiveness objectives. Competitiveness is a relative not an absolute concept. If nothing happens, the economic situation in Europe will not stay the same but will actually become worse. Increasing Europe's competitiveness is also about preventing the drain of knowledge, of research, of industrial activity, and in time, of employment out of Europe.

Note to the Editor

UNICE represents more than 16 million small, medium and large companies active in Europe, employing over 106 million people. Active in European affairs since 1958, UNICE's members are 35 central industrial and employers federations from 28 countries, working together to achieve growth and competitiveness in Europe.