

ETUC 10th Statutory Congress

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Plenary session: our vision of Europe

Address by Georges Jacobs

President of UNICE

Introduction

Today, for the first time, a president of UNICE is taking part in an ETUC Statutory Congress. I would like to thank you warmly for your invitation and to underline the importance that we attach to this occasion.

The theme under discussion today is important. How can we develop the social dialogue if we do not start by bringing our respective visions of Europe closer together?

The context in which your Congress is being held is also significant, against the background of an historic and incontestably positive event, the reunification of Europe, under difficult circumstances due to the international situation and the threat of economic recession in the European Union's largest Member State.

Lastly, you are on the threshold of important internal changes in ETUC's management team with the election of a new President, a new Secretary General and almost complete renewal of the team of Confederal Secretaries.

Tribute to the outgoing team

At the end of June I myself will be standing down as President of UNICE after five years in that office. Allow me, therefore, to start by paying tribute to the outgoing ETUC team and to thank them for the good personal relations we have enjoyed and for our work together in the framework of the European social dialogue, each defending the ideas and interests he or she represents in an atmosphere of reciprocal respect.

Seventeen years have elapsed since the first joint opinion of the European social partners in 1986. Clearly, there have been important developments in the world and in Europe since that date. Since 1986 the European Union has become stronger and wider.

Three milestones in European integration deserve to be highlighted:

- Maastricht which enshrined Economic and Monetary Union, strengthened Europe's social competences and incorporated social dialogue in the Treaty;
- Amsterdam which laid the foundations for the European employment strategy;
- the work under way in the Convention which has the ambition of meeting the challenges of the reunification of Europe by putting in place an efficient institutional framework, and in which economic and social governance occupy an important position.

Economic and social aspects go hand in hand

For UNICE, economic and social aspects go hand in hand. Self-evidently, ETUC stresses the social aspects while UNICE places greater emphasis on the economic aspects. But we both agree, I believe, that the creation of businesses and defence of their competitiveness is a sine qua non for social well-being.

Development of the spirit of enterprise and of businesses in Europe is a priority. The things that are good for economic growth, productivity and competitiveness, are not good only for companies but for Europe and all its citizens, and hence also workers.

After all, it is true that a company is not a virtual concept. It consists of the men and women who work in it. That is why we are attentive not only to working conditions, but also to skills development. Similarly, we know that effective social security systems are necessary for the smooth functioning of an economy and are concerned about the future of pensions and their financing.

It is these ideas that we have endeavoured to translate in the forty joint texts, including four agreements, that we have negotiated in the framework of the European social dialogue, even if social concertation is

best organised at national level on the basis of local traditions and situations.

To illustrate what I mean, I will draw attention to two recent initiatives on which we were able to reach agreement.

The framework of actions for the lifelong development of competencies and qualifications through which we can together promote a new approach to learning which responds to real needs on the labour market by improving workers' qualifications.

Next, the work programme 2003-2006 for the social dialogue which envisages work on nineteen themes of shared interest including no fewer than twelve relating to employment and six actions linked to enlargement. This is a new and important stage in development of the social dialogue. Through this programme, the social partners wanted to make a useful contribution to Europe's Lisbon strategy and to preparation of enlargement.

Lisbon strategy

For European companies, the well-known Lisbon strategy offers the necessary and essential framework to strengthen Europe, to improve competitiveness, economic growth and employment. Our message is simple: the strategy is good, but governments are holding back from implementation, and lack courage and constancy in the reforms.

All the forecasts for 2003 and 2004 indicate that the United States will grow more strongly than Europe. Thus, the slowdown that we are seeing in Europe is not due solely to the international situation. Actions must be taken to remedy the structural weaknesses of our economies.

Regarding macro-economic policy, we believe that the broad economic policy guidelines contain the necessary ingredients for success. And I know that UNICE's assessment and that of ETUC diverge of a number of important points in this respect.

For instance in the area of **fiscal policy**, we regard implementation of budget policies in accordance with the stability and growth pact as essential. Abandoning it would only increase uncertainties. In addition, postponed adjustments are also more costly, as the European Union countries with large deficits are well aware.

We also believe that **monetary policy** has made it possible to preserve price stability. We therefore support the policy implemented by the European Central Bank. Incidentally, price stability and low inflation have been a repeated demand of your organisations.

Regarding employment, the proposed guidelines on employment for the next three years do not seem to us to rise to the task, notably because the link between the economic and social approach has been diluted.

In the context of a weakening of our competitiveness, labour costs in Europe are too high and are still increasing too rapidly. In addition, the gap between the total labour cost paid by the employer and the net income received by the employee remains generally too wide. It is essential to dare to address this issue and to identify remedies.

It is important to be able to implement **pay systems** which reflect differences in productivity in order to improve the operation of our labour markets.

There is also an urgent need to modernise our social security systems which, through the charges they impose and the employment traps they can create, act to the detriment of employment.

As I have already said, the skills of our labour force must be improved and mobility encouraged.

Lastly, it is indispensable to facilitate job creation by creating conditions conducive to entrepreneurship.

Conclusion

There is no shortage of major European mobilising projects: the internal market, the single currency, European enlargement and the work of the Convention.

Examples of European countries that have successfully introduced reforms to improve their competitiveness exist in the 15 Member States, as they do in the accession countries.

But I do not want to hide from you my concern to note the delays in effective realisation of the Lisbon strategy and strong resistance to reforms, notably in some large European countries.

The success of Europe is based on the capacity of its companies to improve the competitiveness of their businesses. The heads of companies brought together in UNICE are aware of their responsibilities in this regard. But the work done by employees and their capacity to adapt is also crucial. I therefore appeal to trade union leaders to promote change.

UNICE is convinced that, given a positive approach to change, the social dialogue can stimulate economic and social development. Fritz Verzetnisch, Emilio Gabaglio, with the valuable collaboration of Jean Lapeyre, and myself are leaving an ambitious programme for our successors. I am completely convinced that Candido Méndez, John Monks and Jürgen Strube will be concerned to complete this work.
