

December 8, 2004

Competitiveness Day – 9 December 2004
Final Address by Dr Jürgen Strube

“Europe and its companies united to win”

1. Let me introduce President Barroso. We appreciate it very much that from the very beginning of his presidency the Lisbon Strategy is at the top of his list of priorities. We really hope that his clarity, courage, commitment and ability to cooperate will inspire all European Institutions – Parliament, Council and Commission - to focus on the implementation of the Lisbon objectives.

We are now close to mid-term of the Lisbon timeframe and the new EU-institutions can provide a turning point for the second half of the Lisbon race! Change, focus, speed and the will to win have to distinguish the next years up to 2010!

2. A few weeks ago, Wim Kok's expert group published a report on the status of the Lisbon strategy. Like UNICE, it found that implementation is unsatisfactory. This diagnosis of the current delivery gap together with its reaffirmation of the validity of the Lisbon strategy and its recommendations that member states should take ownership of the Lisbon implementation process make the Kok-report a useful input. The midterm review should give clear direction and policy recommendations on how governments can achieve the Lisbon goals. Without clarity and courage we will not progress, but only spin round.

3. In order to succeed, it is crucial the Lisbon Strategy reaches the capitals of Europe, because it is up to the national level to implement what was decided on EU level. And the national implementation record of the Lisbon reforms has been very different across Member States. The report on the mid-term review by Mr Wim Kok made good recommendations on how to create national ownership of the Lisbon Strategy. We want our governments in next year's European Council to heed these recommendations and commit to national action plans for reform. These national Lisbon plans will make them accountable for their reform efforts among national parliaments, stakeholders, citizens.

4. I join in the call of my Italian colleague, Mr Cordero di Montezemolo, President of Confindustria, who earlier today called for national Lisbon initiatives. These initiatives must make sure that the national action plans for reform are drafted, openly discussed and implemented. At last year's Competitiveness Day I asked all entrepreneurs to become "ambassadors for competitiveness". This year everybody must go home and make sure that the Lisbon Strategy finally reaches the national level.

5. Current reflections about postponing the deadline for achievement of the Lisbon objectives must not diminish our commitment and stamina for the second half of the contest. We have to focus on the strategic priorities. In addition, European and national legislators should refrain from overburdening the Lisbon agenda with additional objectives. They must focus clearly on the Lisbon goal of growth of European GDP created by enhanced competitiveness as the basis of our social model and our environmental policies.

6. We expect the new Commission to improve the framework for competitiveness and to enhance entrepreneurial freedom and individual responsibility. In our “Business vision for Europe: growth, jobs and prosperity”, UNICE identifies six priorities:

- release entrepreneurial energy
- boost innovation
- unleash the internal market of 25+
- make environmental policy more effective and efficient
- foster international trade and investment
- improve the functioning of the labour market and social systems.

Unfortunately, rigidity of most of the European labour markets is a truism – but it must not be allowed to endure. Although this is primarily an area for national action, further obstacles at EU level must also be avoided. In the last two decades more than fifty directives and regulations have been adopted at EU level which have led to overregulation of working conditions and industrial relations. UNICE therefore calls for a moratorium on new social legislation.

7. UNICE will continue to work in the context of the social dialogue using the instrument of voluntary agreements between the social partners to provide as much flexibility as possible.

8. Returning to today’s event, what have we learnt? This morning’s panel asked whether a conducive environment for business is in place. The answer is not cut-and-dried. One positive element is the stability provided by an independent central bank. However, to be fully effective an independent central bank needs the counterpart of discipline in public spending.

9. This afternoon’s session looked at competitiveness in an enlarged Europe. This year’s enlargement with ten new Member States was the most ambitious in the European Union’s history. We are very grateful for the success of the Prodi-Commission and the European Parliament in making the dream of a reunified Europe of democratic societies come true. In Western Europe we also should be grateful for the impressive examples of courage, commitment and cooperation, the accession states gave us by reforming their political, economic and social systems. Of course, work still needs to be done in their process of catching up. But Europe benefits from freedom, peace and competitiveness that emerges in the accession states.

10. One of the themes that was highlighted more than once is Europe’s lack of appreciation of entrepreneurship. Budding entrepreneurs are discouraged from trying to implement their ideas by many obstacles; for example by social systems which are too often designed with little thought for flexibility, by administrative obligations which are a burden even on large companies, and by a general attitude that regards business failure as a stigma. A more positive approach needs to be fostered, among other things by making young people understand why business is important for all aspects of society.

11. A more positive attitude and a conducive environment for business can release Europe’s growth potential, currently around 2 % against a figure of closer to 4% in the USA. That is why we need to play to win. Faster economic growth creates a virtuous circle which generates jobs and allows improved social and environmental standards. I hope and trust that our conclusions will foster policies for a more competitive Europe. Jeremy Rifkin has recently compared the American and the European Dream highlighting quality of life as a distinguishing feature in favour of the European Dream. He urges us Europeans to develop our own vision of our specific European future in order to live our dream, to make it happen!

12. President Barroso, now has the floor. A warm welcome to you! Seja bem vindo!

[after Barroso's speech]

14. Ladies and Gentlemen, we have come to the end of this year's Competitiveness Day. Our thanks once more to our sponsors for their generous support. You can see their logos around the room, but I would also like to extend our gratitude individually to Alcatel, Arcelor, BASF, Bekaert, Ernst & Young, IBM, ING, Inbev, Procter & Gamble, SES Global, Siemens, Telecom Italia, TNT, UCB and Umicore, as well as to our media partners AFX news, L'Echo, Les Echos, European Voice, Expansion, Market New international, Frankfurter Allgemeine Zeitung and Il Sole Venti Quattro Ore. Your contribution to promoting competitiveness is in a good cause.

15. Finally, we know that European companies have the potential for world-class performance if their potential is released. This potential is illustrated by today's leitmotiv "Play to win".

During last summer's Olympic Games in Athens, athletes from Europe-25 performed well, winning 286 medals in all (82 gold, 101 silver and 103 bronze) against totals of 103 for the USA and 62 for China.

Given the right conditions, and with determined effort of all stakeholders, Europe's economy is also capable of producing a winning performance.

We don't need fences to exclude foreign competitors, we do not want doping in form of subsidies, our formula for policies to enhance competitiveness is, as I mentioned before: C₄ – clarity, courage, commitment and cooperation. Thank you for your attention.

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