

Meeting between social affairs Troika and social partners

Belfast, 7 July 2005

Promoting employment and tackling social exclusion

Speech by Thérèse de Liedekerke

Director, Social Affairs

1. It is possible to have a well functioning market economy with low unemployment and protection against risks. The experience of some Member States proves it. However, with almost 22 million people unemployed, insufficient growth and falling productivity rates one cannot say that Europe as a whole is meeting its ambitions.
2. The crisis of confidence and leadership in the European Union is about more than economics but if Europe fails to deliver growth and jobs, it will be difficult to restore trust. Like the UK presidency, UNICE is convinced that modernising Europe's social model is at the heart of the solution.
3. Contrary to what is sometimes claimed, social Europe does exist. It is a combination of
 - highly developed national social protection systems and an EU legal acquis of approximately 65 labour market directives,
 - sophisticated national industrial relations systems and an EU social dialogue enshrined in the EU Treaty,
 - significant national and European budgetary means.

Europe's problems do not come from a deficit in social legislation or insufficient public expenditure.

4. A social model that works can only be based on growth, employment and high productivity. With the renewed Lisbon Strategy for growth and jobs, the EU has a roadmap to move forward. During the UK Presidency, Member States will translate the Integrated "Lisbon" Guidelines for growth and jobs into National Action Programmes. Our member federations will closely follow this process.
5. For the European growth and jobs strategy to gain momentum in Member States, policy at Community level must steer a clear course towards modernisation. Some dossiers will send important signals in this respect.
6. Negotiations on the **financial perspectives** should not lose sight of the fact that the EU budget must be an instrument for implementation of the growth and employment strategy. The aim should be to ensure an appropriate financing of Community policies and to give the highest priority to competitiveness-enhancing programmes, such as research, trans-European networks, training and support to innovative SMEs.
7. Another key test will be the discussion on the **services** directive. To demystify the "Polish plumber", the advantages of the directive need to be illustrated by practical examples and misconceptions regarding "social dumping" cleared. The search for equilibrium should preserve the country of origin principle. Modifications to the Commission's proposal should focus on the elements which could be misinterpreted

as undermining the posting of workers directive. They should neither lead to a harmonisation of social standards, nor unduly reduce the scope of application.

8. With regard to pending social legislation, the **working time** directive needs to be revised, but not with the aim of preventing people who want to work more from doing so.
9. **Last but not least**, the **EU social partners** are part of the solution but developing the EU social dialogue should not mean adding a layer of collective bargaining over and above the existing national, sectoral, regional or company levels. EU social partners must focus on key pan-European issues and not try to substitute the actions of their members at other levels.
10. In a joint declaration issued ahead of this year's Spring Summit, the European social partners recognised that Europe's success depends on the competitiveness of its companies as well as on the efficiency of its economic and social systems. We developed a joint understanding of the key elements of competitiveness. In the new work programme for the EU Social Dialogue which is currently being discussed with ETUC, we should build on this joint declaration and try to deepen our joint understanding of a modernised social model meeting the challenges of today's world.