

\*\*\*CHECK AGAINST DELIVERY\*\*\*

17 March 2006

## **EP Hearing: “European forum for the Social Partners on the future of the European Union”**

### **Intervention by Philippe de Buck, Secretary General of UNICE**

**21 March 2006 – 9.00 to 10.45**

- UNICE was actively involved in the Convention discussions in its observer capacity as a social partner. We also participated in two working groups: Social Europe and Economic Governance. This gave us privileged insider access to the Convention’s discussions and working methods. We also actively fed into the debate during the IGC.
- UNICE made its views known at the very beginning of the Convention. All UNICE’s actions were geared to ensuring that the following four objectives were met.
  - Strengthening European competitiveness, adaptability to structural change and improvement of employment prospects;
  - Strengthening Europe’s economies and full realisation of EMU’s potential;
  - Successful enlargement of the EU without any distortion of the Internal Market;
  - Strengthening Europe’s hand on the international stage.
- Let me reiterate that it was the first time at EU level that a genuine participative review of the Treaty took place in which national governments, national parliaments, the European Parliament, the European Commission, social partners and representatives of organised civil society were represented.
- Business very much supported this method which opened up the debate to all stakeholders in a transparent way. In this context, the outcome of the Convention is a compromise achieved in a real European spirit. Nevertheless, as we have seen, this was not enough to secure citizens’ support in all EU countries.
- Efficient functioning of the EU institutions is key for the success of the enlarged EU. Therefore good governance is essential if the European Union wants to accomplish its objectives. (This is one of the messages we have just passed on to the Spring Summit).
- In terms of substance, we very much welcomed the reduction of the Union’s instruments from fifteen to six and the generalisation of the co-decision procedure between the European Parliament and the Council of Ministers.
- We promoted the concept of horizontal subsidiarity: this means that when an action is justified at EU level, there is a need to assess whether the objectives of the proposed action could not be achieved by other actors than the EU institutions. Therefore, UNICE greatly emphasised the need for the EU to recognise, in

addition to legislative acts, the greater use of self-regulation and co-regulation. It is a disappointment that the final text did not take this on board.

- Competitiveness is one of the main mottos of UNICE. All of our actions are aimed at ensuring that the institutions pay more attention to the consequences of the EU's current lack of competitiveness. In this context, it was important for us that the Convention gave a clear signal regarding the importance of competitiveness.
- We urge the EU to deliver a framework with a balanced set of objectives for the EU, well defined policies and competences as well as efficient decision-making structures that contribute to a solid and predictable business environment.
- UNICE is concerned about lack of progress on the ratification of the Constitution today. Further to the French and Dutch "NO" in the Constitution referendums a great uncertainty exists now as to where we are going.
- We have entered a "period of reflection" but time is passing by and what we see is a number of proposals (some of them more imaginative or feasible than others) but no growing sense of consensus on what should be done. The June Summit could have been an important way to relaunch thinking and discussion on this topic, but we already know from the Austrian Presidency that the profile on this dossier will be low.
- There are proposals to take back only parts one and two of the Treaty. This already poses legal problems since part three of the Treaty on policies was also amended, but more important this also poses a political problem. This would mean that a shorter but similar text would be sent back to France and the Netherlands...
- The content of the Treaty is one thing but the political climate and commitment to Europe is another thing. Unless in those countries which are problematic we engage in a massive communication campaign about the added value of the Treaty, we will fail to progress, whatever legal constructions we can set out on paper.
- UNICE, together with its national federations, is committed to communication campaigns at national level and we welcome very much the initiative of Commissioner Wallström on communicating better about Europe.
- We believe that all initiatives and in particular better discussion with national parliaments can help us meet this goal.
- As a social partner, UNICE has been, is and will be engaged in a privileged way in any discussion on the future of Europe.
- We need now to unblock the situation and to progress so that Europe has the institutional framework and governance it needs to move forward and any efforts to achieve this aim are supported by business.

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