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25 February 2009

MEETING OF THE EUROPEAN SOCIAL PARTNERS WITH THE COMMISSION ON 25 FEBRUARY 2009

Time slot: 5 minutes

Time: 09.00 - 10.00 hours

Chair: **President Barroso**

Introductory statements: **President Barroso**
John Monks, Secretary General of ETUC
Ernest-Antoine Seillière, President of
BUSINESSEUROPE
Carl Cederschiöld, President of CEEP
Georg Toifl, President of UEAPME

Today's meeting is exceptional. It is the first time ever that social partners have an opportunity to discuss with the college of Commissioners. I am very grateful for your invitation. I hope that it is the beginning of a process of consultation on concrete solutions to get us out of the crisis.

Millions of companies encounter severe short-term financing problems. We cannot allow viable businesses to disappear. Restoring credit flows is an absolute necessity.

You will meet with Mr de Larosière in a few minutes to discuss concrete financial market measures. We count on the European Commission to build on the report he will present. The European Union must go to the G20 with strong proposals for EU and international actions to restore the functioning of financial markets.

BUSINESSEUROPE advocates a four-pillar strategy to deal with the crisis:

1. Companies' access to finance must be improved
2. Member states must support growth and jobs with stimulus measures
3. The implementation of structural reforms must be accelerated
4. We must resist all forms of protectionism

The Single Market and the Euro have played a central stabilising role and must continue to do so. Employers and trade unions agree that protectionism can only damage companies and workers. The European Commission must oppose actions that undermine the European project and be vigilant about unfair behaviours in third countries.



What do we expect in practice?

On the financial crisis

Having a smooth credit distribution is absolutely essential for growth and employment. Public authorities have taken important steps to shore up banks and capital markets. But, we feel that a lot can be done to improve the scope and effectiveness of financial rescue plans.

The Commission should propose a common approach on how to manage toxic assets without distortions of competition in the Single Market.

BUSINESSEUROPE has set up a high-level group that will make concrete proposals on effective, proportionate and reversible measures to restore credit flows. We would be pleased to share with you the result of this work in the coming weeks.

On recovery measures

BUSINESSEUROPE supports the EU recovery programme of 1.5% of GDP and has consistently said so. We insist that it should be fully and rapidly implemented.

The exceptional circumstances we are facing justify the use of the flexibility allowed by the stability and growth pact. However, we must also beware of growing public deficits and public debt. For this reason, it is important to ensure that recovery measures are targeted at investment and support cost-saving structural reforms.

The Commission should speak up when national recovery plans fail to live up to commitments, go soft on structural reforms or undermine the Single Market.

On labour market aspects

Experience shows that where a constructive social dialogue exists, companies and workers tend to suffer less during a crisis. This is not the moment to quarrel.

The European social partners can show the way forward. We have a good basis to do so: our joint labour market analysis of October 2007. The economic situation has evolved but the flexicurity approach which both sides support remains valid.

To ease the way out of the crisis we must pay special attention to three aspects of flexicurity:

- working time flexibility: this is a good way to allow companies to keep their workforce in a downturn;
- labour costs: keeping them under control is essential to avoid even higher unemployment;
- education and training: the next economic upswing will be impossible if companies lack a sufficiently qualified work force.



Tensions on the labour market must not lead to the creation of obstacles to the free movement of workers. We understand workers' requests to ensure that the interface between the single market and national social systems is properly managed. For BUSINESSEUROPE, the rules of the posting of workers directive make this possible. However, its practical implementation should be improved. I sincerely hope that the joint analysis of recent ECJ jurisprudence will lead to joint conclusions on this important issue.

To conclude,

In the difficult economic situation we are facing, employers, trade unions and public authorities must live up to their responsibilities.

BUSINESSEUROPE, UEAPME, CEEP and ETUC have agreed to present a new EU social dialogue work programme during the Tripartite Social Summit in March 2009 and to update their joint analysis of European labour markets of 2007 in view of the special job summit in May 2009.

Companies make huge efforts to continue their activities. They are often supported by a constructive attitude of worker representatives. But the persistence of credit flow problems is undermining such efforts.

Member States must live up to the commitments they have taken during the European Council meeting in December 2008 to act swiftly and in a coordinated way against the financial and economic crisis. We count on the Commission to make ambitious and convincing proposals on how to ensure this coordination in practice ahead of the European Council meeting on 19-20 March 2009.

We have a common European agenda but this is a worldwide crisis. We also need convincing European Union proposals in view of the G20 meeting in London on 2 April 2009.

Thank you for your attention.

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