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### **TRIPARTITE SOCIAL SUMMIT 29 OCTOBER 2009**

#### **ADDRESS BY PHILIPPE DE BUCK DIRECTOR GENERAL OF BUSINESSEUROPE**

Prime Ministers, Mister President of the European commission,  
Ministers, Commissioner, Ladies and Gentlemen

The European Union cannot afford to allow new obstacles to impair the good functioning of its institutions in today's difficult economic and social circumstances. We need a new Commission operating under Lisbon Treaty rules. This is the first message I would like you to convey to the European Council on behalf of European business.

My second message concerns growth. At the European Council, important decisions have to be taken tomorrow in order to put Europe back on a sustainable growth path.

Recession may be drawing to a close. However, difficult challenges still need to be addressed. By end of 2010, total investment in the EU is expected to have declined by around 15% from its level in 2008. Unemployment will have increased to 11%. Public indebtedness will have reached close to 80% of the EU's GDP. These are dramatic figures. They require from policy-makers determined action and an unwavering commitment to reforms. My Belgian colleague will later focus on this in more detail.

For companies, access to finance remains the number one concern. Job creation will not return without well-functioning capital markets. BUSINESSEUROPE endorses the Commission's proposals for better coordinated financial supervision. We call on the Council and the European Parliament to adopt them soon. Timely and coordinated withdrawal of state interventions in the financial sector must be prepared in order to be ready once the recovery is secure.

A big worry is the deteriorating situation on labour markets, even though difficulties are not the same everywhere. We predict 10 million job losses in 2009-2010 in the EU. The EU unemployment rate stands at its highest level since March 2004. Young people in particular are hard hit.

It is therefore important to create the right conditions for companies to create jobs and generate wealth. Access to finance, the fight against protectionism and sound public finances are crucial. But, we must also speed up structural reforms of our labour markets and social systems.



Stimulating labour demand and reducing benefit dependency enable labour markets to recover more quickly from a downturn. They prevent rising unemployment from becoming entrenched. In this time of crisis, the value of flexicurity is being questioned. This would be a great mistake. In a recent article, the Danish trade unions, employers and government rightly highlighted that flexicurity also works in a crisis.

You have received a copy of BUSINESSEUROPE's publication "putting Europe back on track". It outlines our recommendations and proposals for a fresh start for Europe after 2010 which we hope to discuss with you over the next few months. Our Spanish colleague will later expand on this.

What do we need to do? The answer is clear: we must boost employment levels and achieve higher productivity growth. That is why education and training are so important. Education and training are not only a way to get out of the crisis faster. Availability of skilled people is the most important challenge for the future in a world, characterised by the need for constant innovation and sustainable growth.

European companies know that the drivers for economic growth as we have known them will not automatically return after the crisis. Solving the crisis does not mean returning to business as usual.

Climate change can undoubtedly provide opportunities for technologies, business development and job creation. Our vision when it comes to climate policies is to find global solutions and – at the same time – to avoid moving manufacturing industry out of the EU. We will assess the outcome of the Copenhagen meeting but, from our point of view today, we do not see signs of many other countries accepting equivalent emission reduction measures to those already mandated within the EU. There is therefore not yet room to go further than the current commitment of a 20% carbon reduction.

Obviously, climate change policies also have an impact on employment. My Swedish colleague will come back to this

Presidents, concerning the sensitive issue of posting of workers: the Council and the Commission have invited us to conduct with ETUC an analysis on a series of ECJ rulings on the relationship between economic freedoms and fundamental social rights. The Posting of Workers Directive is at the heart of this debate. European employers are convinced that the directive is OK. This does not mean that there have been no problems with its implementation. But they should be solved at the national level. I hope that through our joint work with ETUC, we can help to identify these problems and contribute to finding solutions to overcome implementation shortcomings.

## **Conclusion**

The current crisis has challenged European companies like seldom before. We must make sure that they can once again be the engine of growth, wealth and job creation. Indeed, we will not solve unemployment and ensure the sustainability of our social systems if our companies are not successful.



Let us not fool ourselves. Europe's economic recovery is lagging behind that of its international competitors. We have therefore to catch up urgently. The road will be bumpy but European employers are fully committed to support you in your efforts.

I am looking forward to a fruitful discussion and wish you a successful European Council meeting.

Thank you for your attention.

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