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**« ACQUIS ET PERSPECTIVES SUR L'EUROPE SOCIALE »
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
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Ladies and Gentlemen,

It is a great pleasure for me to participate in this conference today. We have a chance here to assess what has happened in the last two decades. Looking at past achievements can help us identify adequate solutions to respond to current challenges and changes.

Europe is confronted nowadays with a wide range of challenges, short-term and long-term. Its ability to generate economic growth and social progress is tested. In addition, as a result of the ratification of the Lisbon Treaty, the rules and procedures guiding the functioning of the EU will evolve significantly. The question is whether we should continue developing EU social policies in the same frame of mind as before. Or do we have today an opportunity to rethink our methods in order to deliver better results for European companies and workers?

The contribution of the 1989 social charter

Twenty years ago, the European Council endorsed in Strasbourg the Community Charter on workers' social fundamental rights. Despite its lack of binding power, this solemn declaration has played an important role in the context of single market integration. The approach was to take stock of previous achievements and prepare for new actions in the field of social affairs as part of a Social Action Programme. In this



view, the Charter rightly recognised that a clear distinction needed to be made between the competences of the EU, of Member States, and of social partners.

The 1989 Charter has contributed to the development of the EU social policy we know today by identifying European principles that respect the diversity of national industrial relations systems.

European countries value the positive contribution that social dialogue can bring. However, based on different traditions and practices, there is a big diversity of industrial relations systems in the Member States. Indeed, the level at which working conditions are fixed, the type of instruments used, and the repartition of competences between public authorities and social partners vary a lot in each Member State.

We now have around 70 directives on social issues, establishing EU-wide minimum standards on many topics addressed in the Charter in 1989, such as health and safety, equal opportunities, or information and consultation of workers. European social partners have been closely associated in the process. They took the lead on several issues such as parental leave, fixed-term and part-time work, telework, stress, and harassment and violence at work.

In the meantime, the single market has accomplished its mission of contributing to Europe's prosperity. And by doing so, it has increased social progress. Companies, consumers, workers and citizens have all benefited from the Single Market. Moreover, this is true for Western, Southern and more recently Eastern European countries. Between 2004 and 2008, average GDP growth in the new Member States amounted to 5.5%, compared with 3.5% in the preceding five years, while growth in the EU-15 remained at around 2.25%. The speed at which many EU newcomers have been able to catch up is a strong signal of our common interest in open borders.

Businesses' expectations towards EU social agendas



So, the EU does not lack rules. On the contrary! In comparison with our international counterparts, we stand out as regulatory champions. What we need is better regulation, providing reliable and flexible rules.

As businesses, our objective is to generate economic growth. But we can only do so if private enterprise is encouraged. The EU has an important role to play in providing an environment which facilitates innovation, entrepreneurship and higher investments.

In the aftermath of the crisis, access to finance and the fight against protectionism are our main priorities for a swift recovery. But we must not forget long-term challenges. By end of 2010, public indebtedness will have reached close to 80% of the EU's GDP. Sound management of public spending is the only way to avoid shifting the burden of our current living costs on to future generations. In addition, the rise of emerging powers in the global economy and the transition towards greener economies tell us to be vigilant and to invest in the competitiveness of our companies.

The main long-term challenge in the field of social affairs derives from demographic change. The European Commission has estimated that potential annual growth rates will almost be cut in half because our workforce will decrease by forty million people over the next forty years. There will be no automatic return to growth with a shrinking workforce. Action cannot be postponed. The impact of demographic change on labour markets can only be overcome with policies which stimulate employment and productivity growth simultaneously.

Europe's current challenges are of a different nature and scale compared with the situation of 1989. To face them, we need smart regulations and a new mindset! In the field of social affairs, this means developing policies, which facilitate change rather than preventing it. This means giving priority to equipping people with the skills that companies need. A high level of employability is the best protection you can have in today's world. This means allowing the participation of all people in the labour market. In this context, flexicurity is the right framework to implement labour market reforms at national level both during and after the crisis.



We need a more qualitative approach to EU social policies. The Open Method of Coordination (OMC) has played an important role to make progress in this direction. However, we regret that the potential of the OMC for a more qualitative EU social policy has not yet been fully tapped.

Effective EU social policies depend on their ability to adapt and respond to the diversity of situations in the Member States. This does not mean that the EU - including European social partners - does not have a role to play. On the contrary, its role is to promote the exchange of experiences, encourage and monitor national reforms, and provide a framework in order to facilitate discussions and policy developments at the national level. This is where its biggest added value lies.

This is also widely acknowledged by Europe's citizens. Last September, a special Eurobarometer showed that the large majority of Europeans considers the overall impact of the EU on employment and social affairs to be positive and this across all measures, i.e. improving access to education and training (78%), promoting gender equality (76%), but also on fighting discrimination, unemployment or poverty and social exclusion (70% or more).

The Lisbon Treaty in the field of social affairs

By consolidating existing competences of the EU in the field of social affairs, the Lisbon Treaty rightly leaves to the Member States the main responsibility for developing employment and social policies. The Lisbon Treaty nevertheless contains significant changes. I will focus here on three important ones.

First, the Lisbon Treaty introduces a horizontal clause which requires the promotion of a high level of employment, adequate social protection, the fight against social exclusion and other social objectives to be taken into account when defining and implementing the Union's policies.



Secondly, the inclusion of the EU Fundamental Rights Charter in the Treaty: Like the 1989 Charter, it was endorsed in 2000 by the European Council as a political declaration. However, the Lisbon Treaty has now given a binding effect to the Fundamental Rights Charter. This illustrates the evolution of the EU in the last 20 years. The Lisbon treaty has ended a situation where the rights declared at European level could only become binding through national ratification. This is a major change.

In addition, the Charter contains a section on solidarity setting out rights and principles which are directly relevant to the social field. Among these are the right to information and consultation within undertakings, the right to negotiate collective agreements and to take collective action, the right of protection against unjustified dismissals, the right to have access to social security and social assistance, etc.

Thirdly, a success factor for the development of a social dialogue is the existence of strong, representative organisations on both sides. We are therefore very happy with the introduction of the new article 152 in the Lisbon Treaty which explicitly recognises and promotes the role and importance of social partners. It states that the Union shall facilitate social dialogue, taking into account the diversity of national systems and respecting the autonomy of social partners.

Together with ETUC, we have run projects in all Member States on restructuring and social dialogue capacity-building during the last five years. An important conclusion from these projects is that in several countries, the promotion of social dialogue and respecting its autonomy leaves much to be desired. This is particularly true in the Central and Eastern European member states which have joined the EU recently. Article 152 is therefore key.

Conclusion

Europe is today at a turning point. To be effective, EU policies must respond to the needs of companies and citizens. To that end, we need to reflect on the missions of EU



social policies. The adoption of a 2020 strategy and of a renewed social agenda for 2011-2015 is the right moment for doing so.

But, whatever we do, social partners' knowledge of companies' and workers' realities means that they are best-placed to find effective and tailored solutions to improve the situation on the labour markets. Employers and trade unions may not always agree on how to do so. However, social dialogue is an important feature of Europe's economies and societies. The modernisation of EU social policies that is needed to respond to current challenges will not be possible without a strong social dialogue. We therefore welcome the improvements made in the Lisbon Treaty in this respect and call on ETUC to sustain and invest in our constructive relationships in the next years.
