



Speech

High level conference “a new start for social dialogue”, Brussels, 5 March 2015

Opening session: “Building a common approach to a new start for social dialogue”

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Dear Vice-President Dombrovskis,

Dear Prime Minister Straujuma,

Dear President Schulz,

Thank you to the European Commission for organising this high level conference.

We are here to discuss a “new start for social dialogue”. We, at BUSINESSEUROPE, believe that the social dialogue has an important role to play in helping to drive Europe out of the crisis. That is why we have engaged in the preparations for this event actively.

Since the outset of the European social dialogue in the 1990s, we are a committed social partner. And having concluded 4 legally binding agreements (on parental leave, on part-time work, on fixed term contracts and on the revision of our first parental leave agreement) as well as 4 voluntary framework agreements (on telework, on stress, on harassment and on inclusive labour markets), 3 framework of actions (on lifelong learning, gender equality and youth employment), we know from direct experience that the European social dialogue can better reflect companies' and employees' needs than legislative initiatives.

And we also know from experience that the European social dialogue enables to build a shared understanding and mutual trust, which are essential prerequisites to modernise European labour markets. This is clearly demonstrated in the more than 10 (12 in total) joint statements on issues of common concern to employers and workers throughout Europe that we issued during the last 20 years.

In the run up to this conference, we have said very

clearly that, in a European Union which remains affected by stubbornly high levels of unemployment because of insufficient growth due to a lack of competitiveness, the European institutions, together with the EU and national social partners should engage in a „partnership for reforms“.

When the European social dialogue was founded, the big project for Europe was to create a single market. The European social dialogue then contributed to shape the social dimension of this emerging single market and to define European standards for working conditions which had become an EU competence.

Towards the end of the 20th century, the European social partners accompanied the preparation of monetary union by developing a more autonomous dialogue, in parallel to the coordination of national employment policies.

Today, the challenge is to build a more competitive European Union in order to fight unemployment and save our social model. The European social dialogue needs to evolve in order to live up to this challenge, taking into account the diverse economic and social

situations in the enlarged European Union.

The role of social partners in the coordination process of the European semester was at the heart of our discussions during the preparation for this high level conference.

But we probably talked too much of procedural issues and not enough of substantive problems to be tackled. We must correct this, because governance mechanisms are only useful if we are able to agree on a common sense of direction. And in the EU system where the Commission has the right of initiative, this common sense of direction largely depends of the political leadership of the European Commission.

This leads me to the following question: What are the key issues on which the EU institutions and social partners need to focus their attention?

For **BUSINESSEUROPE**, the key challenges to be tackled by the social partners at all levels in the next years are very clear.

Europe's social problems find their origin in a loss of competitiveness. The key challenge is therefore to improve our competitiveness. And doing so is not giving a gift to companies. It is a must if we want to enhance growth and employment.

How can social dialogue at EU and national levels best contribute to this? By making a critical assessment of how existing labour market institutions, policies and regulations function and by adapting them to remove bottlenecks to growth and job creation.

If we are not able to do that, we will not renew the European social model.

The starting points of Member States vary and there is no one-size-fits-all approach to modernize the different national social systems.

In the countries that were most hard hit by the crisis, the immediate concern is to put an end to a shameful paradox, the co-existence of persistently high

unemployment and unfilled vacancies, through effective labour market reforms.

In the countries which were quicker to recover, labour shortages and demographic change are starting to weigh on growth. Measures are therefore needed to develop, retain and attract talents. This means integrating better the unemployed, tapping into the existing reserve of labour by increasing the retirement age, encouraging inactive people to join the labour market and maintaining a balanced approach to migration.

There is an urgent need to achieve progress on all these issues if we want a prosperous and successful Europe.

BUSINESSEUROPE has a very clear vision on the future of social Europe.

Our problems are not due to a deficit of social policy but to a lack of competitiveness. Brave decisions are needed.

Progress has been made in the delivery of labour

market reforms but it remains very uneven and some countries still have a long way to go.

To avoid any misunderstanding, let me be clear: the reform agenda we call for is not about cutting real protection. It is about ensuring more opportunities for companies and workers in order to strengthen the economic foundation of our social model.

Many of the themes to be debated today are essential for Europe's success: the need to ensure a good climate for investment, the necessity to progress on the better regulation agenda, the digitalisation of our economies.

To have a strong social dialogue, social partners must tackle the real issues and engage responsibly on behalf of the vast majority of employers and workers across Europe who want to build a better Europe together.

The leadership of the European Commission is essential to arrive at a shared vision (between public authorities and social partners) of where Europe should go. The privileged position of the social

partners shows that social dialogue is in Europe's DNA. But at the end of the day, it is up to us, social partners to use the chance that is given to us by contributing to solutions that will make Europe a stronger player in the global economy.

Thank you for your attention.