

CONFERENCE ON THE FUTURE OF EUROPE

BUSINESSEUROPE DECLARATION

OUR 10 KEY MESSAGES

1. BusinessEurope, its member federations and the overwhelming majority of European companies are strong supporters of the European Union. This has been the case in 1958, when we were founded, and remains the case today! We are proud to be Europeans.
2. We were at the forefront in supporting all the steps to advance the EU, especially the establishment of the Single Market, the 4 freedoms, trade policy, the euro, early efforts towards decarbonisation, youth exchange projects, social dialogue, cooperation on R&D and many more. The involvement of the business community in the European project is reflected in our participation in dozens of working groups and committees of the EU institutions. At the same time, citizens benefit from the internal market, with companies creating employment and providing quality jobs.
3. Recent studies and surveys have shown that for citizens, their own companies are the most trusted source of information. This also shows that companies take a serious approach, including regarding their own responsibility, when it comes to the EU and politics generally.
4. While we support this Conference and its aim of listening to European citizens, we are still unclear about the exact process leading to the adoption of recommendations, and the political purpose of the recommendations. We warn against them becoming a sort of new Commission Work Programme. The von der Leyen Commission has established a work programme which has been democratically adopted by EU leaders and the EP. At the same time, it is important that recommendations resulting from the conference take account of political, economic, and legal feasibility, to avoid creating unrealistic and, ultimately, unmet expectations for our citizens. We could however imagine that important proposals - e.g., on how to improve our European Union - could serve as a basis for the campaigns in the European elections 2024. We stand ready to contribute to this objective.
5. We welcome the special role granted to Social Partners within the Conference. As acknowledged in the European Treaties, Social Partners play an important role in the EU integration process. The same respect has to be paid towards the enshrined division of competences between the Union and national level in the field of social policy. This also goes for the precious autonomy of Social Partners. We therefore insist to all actors, that strong representativeness of organisations, as a key factor for legitimacy, needs to be taken into account.
6. But most importantly: the basis for all our political and societal projects, whether environmental, social, human rights etc, is a vibrant and healthy economy. Without our companies creating wealth and jobs, nothing can be achieved. This is the foundation for the European Model being attractive internationally and the prerequisite for our cherished European Way of Life. If we don't achieve this, other players will dominate the global economy of the 21st century. And some of these players stand for pretty much the opposite of our European Social Model and Way of Life.

For our businesses, international competitiveness, the Internal Market, and trade are key focus points of the EU. At the same time, we recognise that the EU is about much more than the economy: the EU is also the guardian of a common body of values enshrined in the Treaties, and a guarantor of an open society model in which freedom, creativity and entrepreneurship can thrive.

7. Whereas in the past decades the main concern was to create a politically and economically united Europe, it will be more important in the future to make the EU capable of acting in the global context. Business wants a confident and outward looking EU, as was recently described by President von der Leyen in her State of the Union speech. This requires more efficient decision-making and a unified stance on foreign policy issues, as well as a smart, liberal trade policy that also uses Europe's influence to defend its values and interests.

In addition, Europe must become more aware of the political, economic, and indeed military power of its nation states and move from its role of "global payer" to "global player". Important projects such as the Permanent Structured Cooperation, the European Defence Fund and the Space Strategy must be made fully functional. We want to give EU foreign and security policy a boost, so it can meet its objectives : more autonomy, resistance to external pressure, a modern multilateral trading system, preserving peace, strengthening international security, promoting international cooperation, to develop and consolidate democracy, the rule of law and respect for human rights & fundamental freedoms.

8. At the same time, the EU's internal strength remains the vital prerequisite to be able to play any role at all on the world stage. Strengthening the European Union internally and increasing international competition both require a deepening of the Single Market in all areas, a smart EU industrial policy and a forward-looking climate policy. They also require a deep common understanding on the code of common values that underpins the EU; without it, real unity will be elusive.

Health policy also plays a central role in the European Union's ability to act, in order to be better prepared for future pandemics. For resilience in future financial crises, progress in economic and monetary union and in integration in the single financial market is urgently needed. In these areas, the Conference on the Future of Europe should provide impetus to move the European Union forward.

9. Research and innovation are key drivers for accelerating the green and digital transition, ensuring a fair, sustainable, and competitive economy, and strengthening Europe's technological autonomy. There is no doubt that the future of Europe and of its citizens will be largely shaped by how it performs in science and technology. Research and innovation were surprisingly not identified as priority topics for the Conference, whereas it appears essential to seize this opportunity to reflect on the vital role that R&I plays for Europe's future prosperity and well-being, and as part of the debate on EU future challenges and priorities.
10. The results of the Conference have to be realistic and manageable and avoid putting additional burdens on companies. The pandemic has left huge scars on the economic landscape, and it will take a long time for many companies to recover. The cost of doing business in Europe remains too high. This is an investment disincentive.

According to the European Commission's trade review, already in 2024, 85% of the world's GDP growth is expected to come from outside the EU. In this context, Europe's continued socio-economic prosperity depends on its ability to tap into this global growth. This implies an international rules-based trading system which provides market opportunities for European companies and ensuring that the EU remains an open and attractive place to invest.

European companies do not reject regulation per se. In fact, in many cases, they prefer EU legislation to a patchwork of 27 sets of national rules, but all EU legislation should undergo a thorough impact assessment. We therefore call on decision-makers to help companies do what they do best: create wealth and jobs. Because every euro spent needs to be earned first!

The 9 COFE headlines

1. EU in the world

The EU needs to remain a global player and an ambitious trade policy is key to achieve this objective. The EU needs to secure more and better trade and investment opportunities in third markets, allowing European companies to benefit from global growth. In an increasingly challenging global trading environment, we must reset our partnership with the US, rebalance the relationship with China, ensure ratification of agreements concluded with other regions such as Mercosur, facilitate implementation of the agreement with the UK, and establish synergies between trade policy and other EU policies to enhance Europe's open strategic autonomy while remaining the champion of rules-based trade. For the EU to defend its interests, we also need to reform the WTO, creating and adjusting for more modern trading rules, fit to address global challenges such as the green and digital transformations. This should be done against the backdrop of a fully functional dispute settlement system to strengthen and defend the multilateral system and therein avoid lapsing into dispute settlement at the bilateral level.

However, European trade policy is in danger of failing due to excessive political demands and an overload of expectations in areas such as environmental protection, social affairs, and human rights. We need a balanced approach to the negotiation and ratification of trade and investment agreements that respects our economic partners and encourages incentives and cooperation.

Transparency, opportunities for civil society participation and clear procedures are crucial. However, it is equally important for the ability to act and the legitimacy of European trade policy that this policy area remains the exclusive competence of the EU, in accordance with the treaties and relevant rulings of the European Court of Justice. The ratification of trade and investment agreements, for which the Commission is mandated by the member states, can and must be carried out exclusively by the European legislators and must not be subsequently delayed or blocked by the participation of individual member states. Otherwise, Europe's credibility as a negotiating and contracting partner at the international level will suffer.

2. A stronger economy, social justice and jobs

As the EU emerges from the pandemic, increased focus will be required on restoring our economy and investing in future growth capacity, including developing the means to meet the needs of the digital and green transitions, as well as increasing EU competitiveness. Whilst the immediate concern is for policymakers to avoid any premature unwinding of measures to support business and workers, in the medium-term Member States must return to fiscally sustainable positions. A proper enforcement of the Stability and Growth Pact, revised following the conclusion of the ongoing review, preferably with simplified rules and reduced pro-cyclicality, and reflecting the post-pandemic context, will be essential to help Member States put their public finances on a sustainable footing and to strengthen investment confidence. Rapid implementation of the EU's Next Generation EU Recovery instrument is essential. The funds must support investment and particularly reforms that can help transform EU growth, productivity and competitiveness. Deepening Economic and Monetary Union goes hand in hand with strengthening economic governance, including completing the banking and capital markets union and reinforcing the European Semester's role in the reform process leading to increasing growth, competitiveness, job creation and upward convergence.

Next to decades of peace in Europe, the Single Market is the greatest achievement of the European Union. But it is still unfinished and EU laws are not always fully enforced. Restoring the Single Market after the end of the pandemic is not enough. The deepening of the internal market in all areas - especially for network industries, services and digital - must be developed into a central project for the future of the EU. While the EU is a promoter of free trade globally, it is not yet fully open for free trade internally.

The EU needs an industrial and economic policy that strengthens Europe as a business location, ensures the competitiveness of companies and creates the conditions for the success of the European economic and social model. Therefore, the EU institutions should orient all policy fields towards the global

competitiveness of the European economy and bring the perspective of industrial competitiveness into environmental, climate and consumer policy discussions at an early stage.

The European economic model is based on a social market economy and social partnership. According to the Treaties, Social Partners have a particular role to play in EU integration and must be consulted prior to any social legislation. The European social dialogue is an effective instrument for actively shaping EU social policy and contributing to EU integration. Strengthening social dialogue and social partnership across Europe as well as ensuring a proper implementation of social partner agreements shall be the goal for the EU and Member States.

Social and labour market policy has evolved in accordance with national characteristics and therefore varies widely between the Member States. Europe is united on the goal of strong labour markets – but the way to achieve this must not and cannot be decreed centrally. The delicate balance of competences between the EU and Member States in the field of social policy should be fully respected. This is especially important for key areas such as the fundamental principles and financial balance of national social protection systems.

All actions to implement the European Pillar of Social Rights must be taken at the right level, bearing in mind that the EU, Member States and social partners have clearly defined roles when it comes to social policy, as enshrined in the Treaties. Economic and social progress are fundamental and are two sides of the same coin. In stimulating socio-economic upward convergence throughout the EU, the necessary policy measures of EU and Member States should be developed in a balanced way.

As the recent EU's Strategic Foresight Report rightly suggested, securing access to raw materials is of enormous importance for maintaining Europe's innovation and competitiveness, climate protection technologies and to meet current and future challenges. This includes the energy transition, electromobility and digitalisation. There is a need to strengthen joint efforts at European level for a secure and sustainable supply of raw materials. To this end, the EU must create reliable framework conditions and work harder for international trade agreements, compliance with international agreements and free access to raw materials. In order to improve the European Union's self-sufficiency of raw materials, steps must be taken to facilitate the circular use of raw materials. Such measures must focus on high-quality recycling and upscaling. Initiatives such as the European Raw Material Alliance must be encouraged.

In the digital age, space is key for future technologies such as autonomous driving, Industry 4.0 and Big Data applications. An increasingly data-based and networked industrial and information society depends on having self-determined access to critical infrastructures and services at all times. Space is also indispensable for the EU's ability to judge and act in foreign and security policy and for its strategic autonomy. Moreover, it is part of the solutions for global environmental and climate protection and for more sustainability. In space, Europe needs a stronger orientation towards market economy principles, competitive project awards, government anchor contracts for companies and a strengthening of the New Space ecosystem.

3. Digital transformation

President von der Leyen in her 2021 State of the Union speech rightly said that the digital transformation is the make-or-break issue for Europe. Europe's digital identity stands evenly between innovative freedom and guardian of societal interests. We stand up for European values in order to enable a human-centric, vibrant digital future that builds on technological breakthroughs and takes society with it.

At the same time, empowering our digital and innovative abilities is of strategic importance for the resilience of Europe's economy. With increasing geopolitical tensions, especially between the USA and China, the competition on technology policy is intensifying. An important example is the semiconductor production shortage, but similar developments can be observed in the fields of standardisation, 5G/6G or Cybersecurity.

Europe needs a holistic and long-term digital strategy focussing on key future technologies such as high-performance digital infrastructures, 6G, AI, semiconductors, or quantum technologies.

To boost Europe's digital transformation, we must continue to capitalise on the free market economy, support European competitiveness at a global level and enable every business to reach its potential in the digital era. The regulatory framework must permit innovative opportunities, stimulate investments in digital solutions and provide legal predictability. Harmonisation of the single market will support entire digital supply chains to grow faster and compete on the global stage. Existing legislation should be reviewed and adapted to the greatest extent possible before new legislation is put in place. We need to promote key enabling technologies to remain competitive at international level.

Promoting digital skills and life-long learning will support the transformation towards newer, safer and more rewarding jobs. In addition, Europe should significantly strengthen internal coordination and pooling of resources among member states as well as international cooperation with the US and other democratic partners, e.g. by engaging much more actively in international standardisation bodies.

We recognise that the path to a more digital society will involve greater energy needs. However, new technologies themselves can help to offset emissions, particularly as the largest emitters become greener and more efficient. Indeed, it has been recognised that digital solutions from all areas of life can directly contribute to the achievement of the 17 Sustainable Development Goals, and achieve over 50% of the 169 targets.

4. Climate change and the environment

Action on climate change is not only a necessary challenge but also a real opportunity for European businesses to provide innovative solutions. We need to couple high climate ambition with industrial competitiveness. For this to happen, the transition of our economies must be underpinned by reliable framework conditions and a strong technological focus and support to bring innovations and new technologies to the market. However, about half of the technologies to reach climate neutrality are still at a demonstration or prototype stage. At the same time, the risk of carbon and investment leakage remains a clear danger. It needs to be high on our European agenda, otherwise we will lose our competitiveness to the benefit of competitors with no or very little carbon costs. Hence a focus on R&D and technology needs to be paired with sufficient carbon leakage protection. And our European policies must give space for all low-carbon and transitional energy sources, such as renewable electricity, gas, hydrogen, or biofuels to contribute to the long-term decarbonisation of the economy.

As the world's largest net importer of raw materials, a comprehensive strategy for the transition to a circular economy is not only environmentally, but also strategically indispensable for the EU. In order to achieve this ambition, both the Member States and the business community must make efforts. To enable Member States to implement and develop a competitive circular economy, it is necessary that actions are taken at EU level. An example is the elaboration of the technical aspects of the EU Green Deal, to ensure a level playing field.

Furthermore, European measures supporting the circular economy will facilitate economies of scale and upscaling will create benefits for the Member States as well as complementarity between them. To ensure the implementation and smooth transition of the business community, the EU must provide for an overarching framework including, but not limited to, the technical elaboration of Fit For 55 and the New Circular Economy Action Plan.

5. Health

We need to take stock of the recent experience of going through the pandemic to improve Europe's preparedness and response capacity for future pandemics. During this crisis, the health security coordination has been stepped up and the role of the ECDC – European Centre for Disease Prevention and Control has been instrumental. This important reform process should be continued. What is missing on many levels, however, is an active involvement of industry in the health sector, an approach which proved to create strong partnerships and led to many measures to protect health and safety of employees and businesses, especially in the COVID-19 crisis. Thanks to outstanding cooperation between industry,

science and politics, research and production could be carried out at an unprecedented pace. It would be desirable to continue this cooperation beyond the pandemic.

Being better prepared in the future means availing of the necessary information and shared data much more rapidly, based on inter-operable indicators, and improving tracking tools to contain virus spread and thereby avoid very damaging lockdowns for our economies and societies. One lesson we should also draw from this crisis is to find and maintain solutions that preserve as much as possible the spirit of the Internal Market which includes notably free movement of workers and goods in future pandemics. Another lesson is the need to ensure more synergies between public health and workplace health and safety. As part of the future of Europe debates, the main issue is to strengthen the EU's competences in terms of health security, while respecting the division of competences between the EU and Member States in health policies. Better and more transparent communication tools are especially needed to avoid chaotic uncoordinated policy responses in the future. We need to preserve the free movement of persons and goods within the EU. This legitimate debate should not be broadened to health issues more generally. Financing, governance and operational capacity of healthcare systems should remain the main responsibility of the Member States.

6. Values and rights, rule of law, security

“The Rule of Law is essential for the proper functioning of the European Union, its institutions, its Single Market, labour market and society. It is an important guarantee for European citizens, employers and workers. The attractiveness of Europe as one of the best places to live, work and do business is highly dependent on a coherent and reliable application and enforcement of our common set of rules and values. The rule of law also requires effective, independent and impartial institutions (e.g. courts, inspection services and bodies) and mechanisms of redress so that these rights are justiciable and their legal protection can be ensured. The longstanding role of social partners in setting, applying and enforcing these rights, particularly through social dialogue and collective bargaining, should be fully recognised.” (Quote from the European social partners' joint statement on rule of law of 8 May 2019)

Moving towards greater gender equality in labour markets, politics, and any other sectors of society calls for changing attitudes and beliefs in society. As part of future of Europe discussions, BusinessEurope calls for a focus on breaking down gender stereotypes and creating impetus for two inter-related objectives which will make the difference to reduce the gender pay gap: 1) Increasing women's active participation in the labour market, including improving availability of child and other care infrastructures; 2) Tackling gender segregation across economic sectors. This can be achieved without new legislation.

7. Migration

As part of the future of Europe discussions, business calls for making a new step towards a better functioning EU migration policy based on improved coordination of Member States migration policies. Rather than engaging in a piecemeal approach to legislative updates, the European Commission and Member States should work together with economic and social partners to make good use of improved labour market and skills intelligence tools. Together, we need to create, responsibly and fairly, the necessary tools for a renewed economic migration policy framework that is primarily based on Europe's labour market needs. The recent years have taught us that it is important for Member States to remain in control of the number of migrants that their societies are ready to welcome. A key tool in this respect is labour market tests. Their objectives, governance and role need to be revisited to facilitate the possibilities for skilled third country nationals to be active on our labour markets and contribute to our economic development. The challenge is to increase employment in Europe through well-coordinated employment and migration policies, aiming to reduce inactivity in our countries and to attract and welcome the migrants we need from third countries.

8. Education, culture, youth, and sport

Education originally aimed to guide people to find their purpose in life. At a time of rapid technological change, the purpose of education and training needs to evolve, considering labour market trends and needs. The process of education needs to become more digital as this has the potential to increase access and facilitate learning. But a good balance needs to be found to secure human-based transmission of knowledge, competences, and know-how. Universities in particular need to go through a deep transformation to make their mission more connected and open to cooperation with enterprises and labour market actors. Business supports ambitious objectives towards increased participation of adults in training, but to make progress the key role of social partners and their training funds should be fully recognised and respected. Education at all levels should become more focused on learning outcomes. It is also essential that we achieve in the coming years a rebalancing of the public perception of higher education and vocational training in society, towards a genuine parity of esteem. Young people in particular need to be supported at an early stage so that more of the young generations really choose their future orientation based on self-awareness and good information on labour market opportunities. The role of apprenticeships needs to be further developed as it is a meaningful route for young people to learn a profession, be employable and often also be in a position to become an entrepreneur. At a time when many people aspire to more freedom, education has an important role to promote entrepreneurship. Education also has a role to educate to citizenship, which is important to contribute to more resilient and cohesive societies.

9. European democracy

The European business community is united in its support for democracy, at European, national, regional, or local level. Only functional, well-working political systems can deliver what European citizens expect most from the public sector: transparent, fair, and efficient decision-making - in compliance with the principles of subsidiarity and proportionality - which helps the economy to flourish and deliver for people. This includes functioning, independent judiciaries, which are essential for legal and planning security for companies. Furthermore, avoiding and tackling disinformation in election campaigns and more broadly is essential.

Evidence-based and transparent policymaking by the EU institutions is a prerequisite for the acceptance of new regulatory projects by businesses and citizens. The European Commission must ensure that legislative proposals are supported by evidence-based impact assessments and that the implementation effort is proportionate. Affected stakeholders must always be actively involved in the design of new measures. In addition, a convincing approach to cutting red tape at EU level is needed. The "one-in-one-out" principle must consider not only administrative costs but also the entire compliance burden for businesses.

Inter-institutional dialogue negotiations are now the norm in the European legislative process, although they lack a clear legal basis. The European institutions need to find a new "modus operandi" to reconcile the treaty-based principles of transparency and stakeholder participation with the requirement of a fast and efficient legislative process.

BusinessEurope and its members have also supported the political aims of the European Transparency Initiative and its Register. Like in many other dossiers, we have only warned about some of its excesses and proposed solutions for better workability.

Besides a sufficient degree of transparency, a sufficient balance among the European Institutions is important, with the three EU institutions (Commission, Parliament, Council) playing a key role and hence needing similar capacities. For example, the Council should have a capacity to analyse also independently impacts of Commission proposals and amendments, to strengthen fact-based decision-making and better avoid unintended negative effects of EU legislation.

We support true European debates for the European Parliament election campaigns and our members regularly organise events and debates. For example, BusinessEurope and its members have for many years called on citizens, workers, and entrepreneurs to go and cast their vote.

BUSINESSEUROPE



BusinessEurope is the leading advocate for growth and competitiveness at the European level, standing up for companies across the continent and campaigning on the issues that most influence their performance. A recognised social partner, we speak for all-sized enterprises in 35 European countries whose national business federations are our direct members.

Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic
Denmark	Denmark	Estonia	Finland	France	Germany
Germany	Greece	Hungary	Iceland	Iceland	Ireland
Italy	Latvia	Lithuania	Luxembourg	Malta	Montenegro
Norway	Poland	Portugal	Rep. of San Marino	Romania	Serbia
Slovak Republic	Slovenia	Spain	Sweden	Switzerland	Switzerland
The Netherlands	Turkey	Turkey	United Kingdom		



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