



19 October 2016

Speech

Tripartite Social Summit

*Addressing Europe's common challenges:
Generating growth, creating jobs and ensuring
fairness*

Dear President Tusk,
Dear President Juncker,
Dear Prime Minister Fico,

We are meeting at a crucial moment. The challenges are unprecedented. We need to increase growth and employment, improve security, tackle migration issues and deal with the decision of the United Kingdom to leave the European Union.

Companies are and want to be part of the solution. They need a supportive environment and a strong European Union is essential for them.

Ahead of the European Council tomorrow, I want to underline 5 key points.

My first point concerns trade.

We cannot win our battle for competitiveness, growth and employment, if we shoot our common international trade policy in the foot.

We are very concerned about the confusing Belgian situation in respect to the signature of the Comprehensive Economic and Trade Agreement (CETA) with Canada.

The agreement has been negotiated for eight years, in full compliance with the mandate given by all Member States to the EU. Canada shares our values and all possible sensitivities have now been carefully addressed.

We simply cannot understand how one region could become the cause of a possible failure for the best trade agreement Europe has ever negotiated.

A failure would:

1. put European trade policy, one of the main pillars for growth and job creation in Europe, in agony with the risk that no country might be willing to enter serious trade negotiations with Europe in the foreseeable future;
2. be a major blow for the European project at the very wrong moment;

3. shed a disastrous light on the credibility of Belgium as a reliable partner and as an attractive business location.

For us it is difficult, if not impossible, to understand that such enormous negative consequences can be neglected due to short-sighted political considerations.

The European business community therefore urges all the players concerned to live up to their responsibility and find a positive solution.

My second point concerns Brexit.

Despite a challenging environment, the EU economy showed resilience so far and BusinessEurope expects EU growth to reach 1.9% in 2016 and 1.6% in 2017.

Business confidence held up after the referendum in the UK but the two economies are profoundly inter-connected.

The European social partners issued a very clear message today. Companies and workers must not pay the price for Brexit. We want to mitigate the negative consequences and build bridges.

Our aim is to maintain as close as possible economic relations between the European Union and the United-Kingdom, but not at the expense of the integrity of the Single Market. There can be no cherry-picking between free movement of goods, services, capital and people. All four freedoms have to be respected to maintain full access to the Single Market.

UK exports to the EU represent 11% of British GDP and EU exports to the UK represent less than 4% of our GDP compared with 27% for intra-Single Market trade.

My third point concerns industry and investment.

After a decade of under investment, taking further measures to increase productive private and public investment is essential.

We fully support an extension of the European Fund for Strategic Investment and recommend drawing the necessary lessons of the first year of implementation concerning the need to improve additionality, facilitate cross-border projects and support countries experiencing difficulties in mobilising this instrument.

At the same time, the EU and its Member States must remove obstacles to investment.

And the progress made to ensure the sustainability of public finances and introduce necessary structural reforms must continue, using the flexibility in the Stability and Growth Pact but maintaining its core! Countries having the margin for manoeuvre must use it for more productive investment.

Manufacturing and industrial investment is the central growth and job creation driver for all sectors of the economy, including services. Between 2000 and 2014 the share of manufacturing in total EU output fell by 3.5 percentage points (from 18.8% to 15.3%). We need a structured European roadmap on EU industrial policy strategy in the Commission work programme 2017 to address industrial competitiveness.

My fourth point concerns employment and the social dialogue.

Unemployment is the number 1 concern for European citizens regarding “fairness”. Improving employment is a must!

We still have half way to go to reach the unemployment levels that preceded the crisis. 5 million new jobs need to be created to reduce unemployment from 21 million today to 16 million, the level in 2008.

In parallel to facilitating job creation, we must make progress on skills development and better integrate refugees into the labour market. Colleagues will say more about this later.

Ladies and gentlemen,

We are making progress in improving cooperation between the EU institutions, Member States and social partners during the European semester as agreed in the tripartite joint statement on a new start for the social dialogue. And this has to be done in a spirit of reform partnership.

The future European pillar of social rights should put forward a renewed EU labour market strategy creating positive synergies between social policy at EU and national levels.

When effective policies are in place, if people lose their job, there are other opportunities for them.

Europe’s social problems are not due to a lack of legislation. They come from a lack of competitiveness leading to insufficient job creation. We should hear the aspirations for a new conception of protection, less legal, focused on more opportunities, choices and empowerment.

We have a shared interest to adapt our labour markets to the future world of work in the digital age.

My fifth and last point concerns the future of Europe

If we do not wake up now to defend the collective interests of Europe again, if we continue with the present situation where everybody comes up with short-sighted selfish interests forgetting completely about our common European interests, we will all end up in misery and poverty.

We need strong and efficient EU institutions, supported by Member States, and pulling in the same direction to strengthen the EU three key economic pillars: our single market, our common international trade policy and our common currency, the euro.

Let us all work together to recreate the conditions for the European Union to be a security and prosperity zone, with modern and dynamic labour markets.

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