



18 October 2017

## Speech

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### Tripartite Social Summit on 18 October 2017

#### *Shaping Europe's future: Strengthening resilience and providing economic and social progress for all*

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**\*\*\* CHECK AGAINST DELIVERY \*\*\***

Dear President Tusk,  
Dear President Juncker,  
Dear Prime Minister Ratas,

Today, there is a stronger sense of unity behind the European project and the recovery is also getting stronger. This window of opportunity will not be there forever. It should be used effectively, focussing on where the EU can add value and avoiding initiatives that will divide. Otherwise, we will not strengthen our resilience capacity and deliver economic and social progress.

To offer a bright future to citizens, the EU and its member states must continue to make the reforms that are necessary to modernise our economies and societies.

The challenge is manifold and the solutions differ depending on the policy domains.

Following the economic crisis, the EU made important progress in strengthening the EMU. But since the publication of the 2015 Five Presidents report, progress has been too slow. We therefore look forward to the publication of the Commission paper on the future of EMU and to the European Council discussion in December.

Regarding industrial policy, we are glad that in his State of the Union speech, President Juncker clearly acknowledged the importance of developing an EU industrial strategy. BusinessEurope and ETUC both called for such a strategy on several occasions. The recent communication of the Commission is an important first step. We must now deliver the strategy through a structured way forward, with concrete actions to support the development of our industry, with the Commission working hand-in-hand with the Competitiveness Council. We very much hope that the new idea of a High Level Industrial Roundtable will be operationalised in an effective manner. This is crucial to make sure we get the next steps right.

Another key tool at our disposal is trade policy. The EU must be at the forefront of the fight against protectionism. Forward-looking provisions in free trade agreements, combined with supportive domestic legislation could unleash many new opportunities for European businesses and create many jobs. For example, the long-awaited EU position on data flows in trade agreements could enable us to benefit more from the many opportunities in the digital economy. And we need of course to fully embrace digital transformation of Europe in order

to compete effectively worldwide and shape this transformation, improving the free flow of data, e-government, cyber-security, etc.

The EU trade agenda must be ambitious. This does not only mean concluding agreements with important partners like Japan and Mercosur. It also means implementing our trade agreements faster and better. The idea of separating the parts that are of exclusive EU competence is a step in the right direction, provided we find a good solution for areas of mixed competence, namely: investment protection.

Involvement of social partners and civil society is very important to increase support to trade policy, while maintaining its effectiveness.

Our trade policy must not lose its focus. Looking at ways to increase the effectiveness and implementation of trade and sustainable development chapters in free trade agreements is fine, as long as it does not hinder the EU's negotiating leverage and engagement of trading partners. The EU should therefore put in place a system built on positive incentives rather than on negative sanctions.

Let me now turn to social policy. We need to shape Europe's social dimension in a way that supports economic development and employment creation in all Member States.

As Europeans, we share important social values but the way to shape social policies that deliver those values can differ a lot across Europe. And for good reasons: different collective bargaining systems, different long-term choices, different urgent economic and social needs, different budgetary means, etc. To be effective, social policy decisions should be taken as closely as possible to citizens. And for labour market aspects, as close as possible to the employers and employees concerned.

Therefore, the social dimension of Europe cannot aim for harmonised standards, going beyond the already well-developed EU social legislation.

For us, the upcoming Gothenburg Summit should be an opportunity for the Commission, Member States and social partners to converge around a broad commitment to defend our economic and social values, through economic and social policies that reinforce each other, avoiding heavy-handed intervention from the European level because this can only trigger opposition and division.

To use President Juncker 's motto, we must unite to be "big on big things", and avoid micro-managing what is either better done at national level or better done by the social partners than by the legislator.

We are now at an important juncture. Let us seize the present window of opportunity to make positive steps and move the European project forward.

My last word will not be about the future of the EU but about Brexit because tomorrow the EU Council will also assess the progress made in the negotiations with the UK.

As you will see in BusinessEurope's message (distributed to all of you), we are extremely concerned with the slow pace of these negotiations. One year has already been lost. We want to avoid a cliff edge and we need transitional arrangements to allow companies enough time to prepare while we don't have clarity about the future relation.

The only way to achieve this is to have sufficient progress on citizens' rights, the situation of Ireland, and the financial settlement. We therefore urged the UK Government to rapidly provide further concrete negotiating proposals for all these 3 issues. At the same time, we count on the EU to constructively receive these proposals once they are presented.