



Speech

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Porto Social Summit on 7 May 2021

ADDRESS BY

PIERRE GATTAZ, PRESIDENT OF BUSINESSEUROPE

Dear Prime Minister Costa,
Dear Commission President Von der Leyen,
Dear President Sassoli,
Dear Heads of states and governments,
Dear Commissioner Schmit,
Dear Ministers,
Dear social partners,
Dear colleagues from the social platform,
Ladies and gentlemen,

I am pleased to be here today in Porto for this important social summit.

And I would like to thank the Portuguese Presidency for the close cooperation with the social partners when preparing the Porto declaration. We do not necessarily agree with every word of the declaration. However, overall, it led to a balanced compromise, which BusinessEurope can endorse.

The circumstances are extremely difficult. Europe is faced with the worst crisis since world war II and it is very important to have an effective roadmap to overcome this crisis and at the same time ensure that the green and digital transitions bring real growth.

Having a balanced implementation of the European pillar of social rights action plan is certainly part of the answer.

BusinessEurope has **three key messages** concerning the implementation of this action plan in the coming years.

Message N°1: To have a successful implementation of the pillar of social rights, we need an economic recovery.

To help delivering the recovery, Europe's social agenda must support companies in their efforts to generate growth, and employment, because this is the basis for social well-being. And for investing in the green and digital transitions!

European leaders must acknowledge that enterprises cannot absorb additional burden on top of the crisis and make priority use of non-legislative tools.

They must ensure that, when European social legislation is proposed, it focuses on issues that really require a legislative answer at the European level. European legislation must fully respect the competences of national legislators and social partners. And the burden for companies must be kept as low as possible.

As you know, for BusinessEurope, there are at least 2 Commission proposals that do not respect these criteria: the proposed directive on minimum wages and the proposed directive on pay transparency. We do not question the main objectives pursued. But we are strongly opposed to these 2 proposals because pay is of national competences. And because they contain provisions that will undermine national collective bargaining and impose excessive burden on companies

Message N°2: To be successful in the long-term and make good use of European recovery funds, we need to accelerate the transformation of our economies.

For BusinessEurope, this means that European funds must be used to boost productivity, growth and competitiveness.

It means that European financial support must be flanked with structural reforms that can deliver growth and support employment, long after the funds have been spent.

Labour market reforms, to have sustained job creation.

Reforms of social systems, to modernize safety nets. And to ensure their financial viability in ageing societies.

Reforms of education and training, to equip people with the skills needed on changing labour markets. And to empower them to create and seize new opportunities linked to the digital and green transitions.

Message N°3: To ensure ownership of social policy you need the social partners.

Labour market and social policy decisions should be taken as closely as possible to the employers and citizens concerned. And the social partners are well placed to find balanced solutions that reconcile companies' and workers' needs.

To support social dialogue, which is an essential feature of our European social model, you need to leave the necessary space for the emergence of solutions negotiated by the social partners at the appropriate level. And you must respect the results of these negotiations when they succeed.

Social partners will not always agree with each other. But they have a good track record in overcoming initial differences of views to find a compromise.

And for issues requiring tripartite cooperation, public authorities can help fostering compromise by adopting a balanced approach, building on points of agreement. The Portuguese Presidency did so when preparing the Porto declaration.

This is why, without agreeing with all the elements of the European pillar of social rights action plan, BusinessEurope can sign up to this declaration and commit to work constructively for the recovery and to ensure that the green and digital transitions generate real growth.