



High-level conference on the European pillar of social rights

La Hulpe, 16 April 2024

ADDRESS BY MARKUS BEYRER, DIRECTOR GENERAL OF BUSINESSEUROPE

Dear President von der Leyen,
Dear Prime Minister De Croo,
Dear President Michel,
Dear President Metsola,
Dear Deputy-Prime Minister Dermagne,
Dear Commissioner Schmit,
Dear social partners,
Dear colleagues,

The Belgian Presidency has convened this high-level conference to discuss how shape the social dimension of the strategic agenda for the EU in 2024-2029 and how to take forward the implementation of the European Pillar of Social rights, taking appropriate action at the appropriate level.

European companies are committed to play their role in society by

- producing quality goods and services at affordable prices,
- creating productive and fulfilling jobs,
- contributing to the financing of necessary public services and infrastructure,
- innovating and delivering enabling technologies for the green and digital transitions.



Unfortunately, they are held back by:

- high energy costs,
- excessive regulation and lengthy permitting procedures, and
- skills and labour shortages.

BusinessEurope's reform barometer 2024 shows that the EU has failed to halt the decline in its attractiveness as a location for investment:

- 88% of our Member Federations consider that the attractiveness of the EU as investment destination for global firms has stagnated or even declined over the past year, and
- 54% believe that the regulatory burden for companies operating in the EU increased in 2023.

The erosion of industrial base and gap in productive investment as well as productivity is preoccupying:

- industrial production in the EU was down by 5.7% in January 2024 compared to January 2023,
- productive investment in 2022 amounted to 15% of GDP in the US versus only 11% in the EU,
- overall EU productivity in 2022 is only 75% of that enjoyed in the US.

This is weighing on European economic growth and employment, undermining our ability to deliver social progress. In 2023, economic growth in the US exceeded EU growth for the seventh time in the last ten years!

All European policies must be mobilised to reverse this decline. Ensuring that Europe's social agenda answers both companies and workers needs is essential because without growth and competitive companies, there will be less jobs and less welfare.



BusinessEurope is fully committed to help shaping the social dimension of the strategic agenda for the EU in 2024-2029 and taking forward the implementation of the European Pillar of Social rights through appropriate actions at the appropriate level. But our pledge comes with the clear message: social progress can only be built on competitiveness and growth.

For BusinessEurope, a successful European social agenda supports growth and employment in our Single Market. It is an agenda that focuses on making the cake bigger by tackling the labour and skills shortages that are holding us back. It is an agenda that moves away from a predominantly regulatory approach to social policy and focusses on:

- promoting mobility in our Single Market,
- addressing labour shortages and skills mismatches.

It is a social agenda that respects member states competences as well as social partners competences, in line with the horizontal and vertical dimension of the subsidiarity principle defined by Jacques Delors.

It is a social agenda which is part of a master plan to improve competitiveness, stop Europe's deindustrialisation and address the key factors creating investment leakage, including excessive regulation.

Do not get me wrong. I am not calling for wild west deregulation. Nor am I questioning Europe's social model. On the contrary, I am calling for a strategy that defends it by ensuring that the EU social dimension helps to build a productive and prosperous Europe.

Unfortunately, despite the intensive dialogue we had with the Belgian presidency, the La Hulpe declaration remains ambiguous on the fact that, in our EU social-market economy, social progress can only be based on economic progress. It is too detailed and still hints at a regulatory route that cannot lead to reverse the decline in productive investment in Europe and halt the erosion of our industrial base on which many quality European jobs depend. This is why BusinessEurope decided not to sign up to this declaration.



However, I also want to say it loud and clear. We are determined to help shaping an effective and balanced European social policy that will benefit both companies and workers and support them in their efforts to live up to today's challenges.

BusinessEurope and its member federations remain fully committed to working constructively with the European institutions as well as member states and our social partners from the European trade unions in this endeavour.

Thank you for your attention.