

**Tripartite Social Summit  
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**Intervention by Dr Jürgen Strube  
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Presidents, Prime Ministers, Ministers, Commissioners, Colleagues,

Let me start by thanking the Irish Presidency and the European Commission for organising this tripartite social summit. Discussing ways to bring the Lisbon agenda forward is particularly important in the present economic climate. I would also like to underline my appreciation for the strong efforts of the Irish Presidency to promote the competitiveness aspects of the Lisbon agenda.

We fully understand the importance of security issues after the tragic events in Madrid but sending a strong signal of support for changing Europe in accordance with the reform agenda agreed in Lisbon is also important to restore confidence.

**On the economic situation**

We all know that Europe is lagging behind in implementing the Lisbon agenda. But I am convinced that we can reach our objectives by trying and working harder.

The discussion paper of the Presidency asks how the social partners can contribute to generating a pro-growth and more competitive environment. First of all by ensuring that wage developments do not jeopardise competitiveness. Secondly, by supporting necessary structural reforms.

We need a strong commitment on the public authorities side to deal with two home-made risk factors: uncertainties surrounding fiscal discipline, and patchy pension and labour market reforms. Clear political leadership is necessary to guide Europe out of the vicious circle, in which slow economic activity is hampering the reforms that could re-launch growth.

**On European competitiveness**

The Presidency discussion paper rightly identifies

- exploiting the full potential of the Single Market (which created 2.5 million additional jobs),
- developing a business friendly regulatory environment and
- increasing public and private investment in research and development

as three essential keys to turn Europe into the most competitive knowledge-based economy in the world.

1. Internal Market

Twelve years after 1992, it is high time to complete the Internal Market. Two examples illustrate this necessity:

- energy prices are higher than they should be because the gas and electricity directives have not been transposed into national legislation;

- intellectual property protection continues to be penalised by the lack of a cost-effective Community patent.

## 2. Entrepreneurship

Entrepreneurs are much scarcer in Europe than in the US or Asia (fewer than 5 /1000 in Europe compared with more than 10/1000 in the US). Freeing companies from the constraints stemming from the accumulation of regulation at regional, national and EU levels is an absolute prerequisite to release Europe's growth and employment potential.

## 3. Research and development

The EU has more science and technology graduates than the US and yet research activity is lower. Compared with the US, European public authorities tend to under-invest in universities and to over-protect them. This explains why European companies increasingly carry out research in the US. We support the 3% target but funding is not everything. The regulatory framework also matters. Europe needs a much more positive mindset for research and innovation.

### **On employment**

Adaptation to change is a constant and positive characteristic of a knowledge-based economy. It is the foundation of growth, competitiveness and employment even if restructuring may entail job losses in the short term. Employers too are keen to mitigate negative social consequences in such cases but trying to protect activities which are no longer competitive is definitely not the solution.

Last December we discussed the report published by the Employment Task Force, chaired by Mr Kok. Ensuring that the recommendations of this report are actually implemented is the best way to secure the future of Europe's companies and workers. I hope that we can count on the trade unions' support for this.

### **On partnerships**

The recommendations of Employment task force are addressed to individual countries. The Presidency discussion document therefore rightly calls for new reform partnerships in the Member States. Partnerships can be formal or informal. What matters is the result.

Who are the partners and what do employers expect from such a renewed partnership?

**National governments** should undertake to implement all recommendations of the Kok report. Cherry-picking or stopping halfway puts everyone on the losing side as people then make sacrifices but do not get the expected benefits.

**The EU institutions** should avoid proposing initiatives, which undermine the reform agenda and should fundamentally rethink the social provisions of the directive on cross-border mergers and the directive on temporary agency work. They should also avoid proposing unnecessary revisions of existing legislation such as the European Works Council directive or new legislation such as the directive on data protection.

**Social partners** have undertaken to deal with a variety of issues relating to crucial aspects of Lisbon agenda: employment, life long learning, active ageing, combating

undeclared work, etc. UNICE's secretary general will soon say a few words about two concrete contributions of the European social partners for this spring European Council.

We are in favour of partnership but constructive partnership must start from a clear recognition of competitiveness requirements in the global economy.

On behalf of **European employers** I can only

- re-iterate our support for the Lisbon strategy,
- confirm our readiness to discuss necessary reforms of labour markets with trade unions,
- call for clear leadership from public authorities, and
- suggest assessing the progress made, with a special focus on the recommendations of the Employment Task Force next year.

It is high time to put the enlarged Europe on the right track by implementing the Lisbon strategy. Let's do it!

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