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TRIPARTITE SOCIAL SUMMIT 8 MARCH 2007

SPEECH BY PRESIDENT SEILLIÈRE

Mr President, Prime Ministers, Ministers, Commissioner,
Ladies and Gentlemen,

I would like to address some key statements, also on behalf of the other business organisations here present concerning where Europe stands today, and ask you to share this assessment with the European Council meeting starting later today.

To restore confidence in the European project, we need growth, employment and, I would add, an efficient institutional governance. In 2006, growth increased and reached 3% and unemployment declined to 7.9%. We now have a favourable economic climate.

Let us use this opportunity to make further progress on the governance. We need a European Union that is capable of swift and decisive action to improve knowledge and innovation, modernise our labour markets and simplify our regulatory environment, and promote Europe's interest, in our globalised world.

The upturn in the business cycle is no reason for complacency. Let us not repeat the mistakes of the end of the 90s, when a buoyant economic situation created exuberant optimism but stalled reforms. We owe a lot to external conditions and must keep up the reform momentum

Since fifty years, Europe has been able to achieve simultaneously good economic performance and a high level of social protection for its citizens. Maintaining this positive relation will not be possible if we do not adapt European social systems to the realities of demographic ageing and globalisation.

Demographic trends do not only point to pressure on public spending. The source of growth will undergo dramatic changes. Productivity gains will become even more necessary to offset the effects of a shrinking working population in the next decades. We have to catch up with our competitors, such as the USA, which are outperforming us both in terms of population and productivity growth.

For this reason and because Europe's strategy in the global economy is not and cannot be to compete on low-cost and low value-added products, we must promote innovation and increase the adaptability of enterprises and workers.



Policies aimed at boosting at the same time productivity and employment growth must be placed at the core of economic, labour market and social security reform strategies. The experience of some Member States shows that there are ways to have both more inclusive labour markets and strong productivity. Their success demonstrates the benefits of relying less on labour law instruments and more on education and training to ensure worker protection.

The concept of flexicurity is at the heart of efforts to restore a positive link between competitiveness and social protection. The conjunction of the Green Paper on Labour Law consultation, the report on social realities in Europe, the upcoming Commission Communication on flexicurity and the social partners' joint analysis of key challenges facing Europe's labour markets provides a unique opportunity for European social partners and public authorities to deliver labour market modernisation, thereby contributing to the success of the European growth and jobs strategy.

There is no one-size-fits-all model of flexicurity to be implemented across the EU. Decisions on concrete measures can only be taken in the Member States but the EU can play a useful role by identifying common principles and pathways in order to facilitate discussions and policy developments at the national level. CEEP will explain later on what adaptability and flexicurity means for employers in public services.

Concerning better regulation, the goal of reducing administrative burden by 25% within five years on EU as well as national level is a priority for business. UEAPME will come back to the damaging effect of over-regulation for SMEs.

Time does not allow us to address all the issues on the agenda of the European Council tomorrow. As indicated in BUSINESSEUROPE's letter to the Presidency, companies are committed to play their role in tackling the challenges facing us. Policy-makers must not forget that strong and competitive European companies are a major part of the solution.
