



24 October 2013

### TRIPARTITE SOCIAL SUMMIT

24 OCTOBER 2013

### INTERVENTION BY MARKUS J. BEYRER, DIRECTOR GENERAL OF BUSINESSEUROPE

[Check against delivery]

Dear President Van Rompuy,  
Dear President Barroso,  
Dear President Grybauskaite,

**Europe's economy is turning a corner and this EU Council must help accelerate growth.**

When you take stock of the actions taken since June 2013 to enhance growth, competitiveness and employment; when you discuss how to further strengthen the Economic and Monetary Union and how to develop the digital economy, innovation and services this afternoon and tomorrow, you must focus on one thing only: feeding emerging growth with pro-competitiveness measures in order to win the battle for employment.

There are positive economic signals. The EU economy has grown slightly in the second quarter of the year. Business confidence is starting to pick up. However, the situation remains fragile and unemployment remains unacceptably high.

It is up to us, Europeans, to do what is necessary to strengthen growth and ensure a job rich recovery.

We need urgent and tangible action in three critical areas:

- completion of the banking union to enhance access to finance, particularly for European SMEs;
- further necessary reform at national level, notably labour market reforms to boost employment;
- development of the single market, digital economy and single market for telecoms.

A few years ago, we were world leaders in the latter area. In a short period of time, we became second tier players. We must regain Europe's leadership position. If the right policies are put in place, the digitalisation of our economies could result in a 5% gain in EU GDP and 4 million new jobs.



The digital economy is data driven. We must therefore have a legislative framework providing workable solutions for data transfer. A number of provisions in the proposed reform of the EU data protection rules could have a negative impact on business. We are sceptical about setting an artificial adoption deadline and extremely concerned that haste could lead to an inadequate data protection regulation.

We have two million unfilled vacancies in Europe. We must improve the efficiency of our education and training systems to put an end to this unacceptable level of missed opportunities due skills mismatches! And if we ensure proper access to finance for companies and improve the investment climate we will be able to create even more jobs for the 26.6 million of unemployed.

The fight against unemployment, in particular long-term and youth unemployment, is THE priority. To be successful, we must create the right synergies between our economic and social policies.

If we pay special attention to strengthening our industrial base we will enhance growth in all sectors in the economy. We have made progress. There is consensus that this is a strategic priority. But we are still far too often faced with proposals undermining our industrial competitiveness: the new directive on environmental impact assessment, the bias against shale gas exploration and the timid approach to tackle excessively high energy prices, or the defensive attitude on restructuring to name just a few examples. We need to look at opportunities and take a much more positive approach to change.

We must have an ambitious and coherent industrial compact, with clear priorities for the European Council meeting in February 2014. And the Commission must really focus all its actions on the identified “game changers” until we have regained the ground lost if we want to be successful.

Presidents, ladies and gentlemen,

Enterprises are the main driver for long term growth. And I am extremely encouraged by the fact that we can present to you today a joint letter of the leaders of BUSINESSEUROPE, CEEP, UEAPME and ETUC on investment.

This joint letter shows that there is consensus among the European social partners on the fact that a prerequisite for long-term growth, rising employment and high living standards is that enterprises have the long-term confidence to make investments.

There is consensus among the European social partners on the need to implement the €120 billion package of measures to support growth and the Youth Employment Initiative announced in June as soon as possible.

There is consensus among the European social partners on the crucial role of the EIB in the context of this broader EU investment plan. This requires in particular urgent agreement in the European Council on the parameters for the design of the joint



Commission-EIB risk sharing instrument to be co-financed by the bank and structural funds to ensure that lending to SMEs can start in January 2014 as foreseen.

There is consensus on the fact that public support alone (even when deployed in conjunction with the private sector) cannot be a substitute for repairing systemic weaknesses in financial markets: Hence the importance of making significant progress towards an agreement for a banking union.

I believe that the four points of consensus that I just underlined are scene setters for our discussions on the social dimension of the European Union too.

For BUSINESSEUROPE, the social dimension is inherent to European integration, since the outset.

The single market and the Euro have significantly enhanced our prosperity. Unfortunately, the advantages they have brought to citizens also contributed to hide imbalances and delayed necessary reforms. Exacerbated by the global financial crisis, these imbalances then prompted the Euro area sovereign debt crisis, with all its painful social consequences.

Luckily, structural reforms are bringing positive results, including in the countries most hard hit by the crisis. But declining competitiveness, insufficient labour market flexibility, education and training weaknesses and unsustainable social protection systems continue to weigh on the overall European growth and job creation.

BUSINESSEUROPE would extremely concerned if the Annual Growth Survey presented a distorted picture of flexible forms of work, wrongly labelling them as “precarious” work. Flexible forms of work are a stepping stone into the labour market, especially for long-term unemployed and young people. The real problem is unemployment, not part-time work, fixed-term contracts or temporary agency work!

The European social partners have started to work on a joint analysis of European labour market challenges. I sincerely hope that we will be able to develop a consensus on how to address our structural weaknesses in order to ensure the sustainability of our social model.

The EU represents only 7% of the world population and 20% of global GDP but at least 40% of global public spending in social protection. It has highly developed labour market regulations, including some 70 European directives setting minimum social standards in the Single Market. If Europe wants to defend its living standards, it must reform its social systems and shape the social dimension of the European Union in the right way.

We are carefully following ongoing discussions on European solidarity mechanisms. To be effective, funds provided through the envisaged mechanisms should be targeted, temporary and conditional to the delivery of necessary structural reforms. For us, the idea of an EMU unemployment insurance scheme does not fulfil these criteria and is therefore unacceptable.



However, BUSINESSEUROPE supports the introduction of contractual arrangements on 2 conditions. They must strike the right balance between solidarity and responsibility by increasing incentives for structural reforms. And they must not lead to an increase in the overall tax burden in the EU or Euro Area.

Dear Presidents, ladies and gentlemen,

The key to pave the way to acceptance of such solidarity mechanisms across the EU is to make progress on policies that feed emerging growth with pro-competitiveness measures. Doing so is also the recipe to win the battle for employment across the European Union. It is this sense of focus that we want the European Council to deliver in its conclusions tomorrow.