

Tripartite Social Summit – 22 March 2023

Intervention of Esther Lynch, ETUC General Secretary

Cracking Europe's Competitiveness Code

Brussels, 22 March 2023

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President von der Leyen, President Michel, Prime Minister Kristersson, Vice-President, Commissioner, Deputy Prime Minister, colleagues,

The title *giving the right answers to Europe's competitiveness challenges – how to make Europe the place to be for industrial investments creating growth and quality jobs* was chosen carefully.

It's a vote of confidence in Europe's industrial future, a claim for great jobs, industrial investments, incentives that support and spur the transformation and just transition that we need. It's about a strong commitment to create great jobs and support workers and its about supporting firms in their drive to adapt to change in all Member States and regions.

There are right answers and there a wrong answers to Europe's competitiveness challenges.

### **Support to all Member States and Regions is the right answer**

The right answer is to guarantee European solidarity to support industry in all Member States and regions and to ensure equitable access to new funding for all regions – including through additional, complementary EU fiscal capacity / resources at EU level.

Investments to support industry, to develop the necessary supporting infrastructures and to meet the European social and environmental objectives need the correct economic governance framework.

In this respect we call for the economic governance framework to bring finally full employment and improvement of working and living conditions at the forefront, and to have as an aim the achievement of the European Pillar of Social Rights.

The economic governance should reinforce the EU capacity to provide prompt response to crisis and build on lessons learned from the Next Generation EU and SURE. The new rules should support upwards social convergence, including through a social imbalance procedure, and include a golden rule for the right investments.

Also, we need to make sure that the anti-crisis measures developed during the last crisis to support employment and incomes of workers do not disappear but are available to support companies and workers in the challenges that lay ahead.

The Commission's Green Deal Industrial Plan is welcome, we have long called for an industrial strategy that supports good jobs in Europe and meets the test of the twin transitions by leaving no one behind. It is good first step, it is the start of the right answer but more is needed.

Positioning Europe to be competitive requires action on a number of levels and not all are being given adequate attention.

### **A focus on People is the right answer**

The discussion on competitiveness all too often ignores people, from the homes that workers need to live in, the transport that will bring them to work, the childcare and schools for their children, or the health care and other public services and social protection they can rely on, to the facilities and services in the communities they live in. Being serious about competitiveness means being serious about a strong commitment to infrastructure that the industrial policy is placed within, strong public services and public administrations, social protection, housing, transport, childcare are all crucial elements for a competitive economy.

### **A focus on skills is the right answer**

The discussion on competitiveness all too often treats skills as an added extra rather than an essential ingredient. This is the year of skills we want to see concrete skills and training opportunities designed with social partners. All too often workers cannot get access to the skills, because of the cost, the time the lack of support from employers. Support to industries should come with a requirement to invest in the workforce. There is the need to strengthen the efforts to ensure that all workers can get the necessary high quality training, including training during working hours, support and guidance. We need to stop treating skills as a cost and instead record them as an asset in our financial reporting standards.

### **A focus on creating great jobs is THE right answer**

Quality jobs are at the heart of competitiveness. The Green Deal Industrial Plan includes the objective to contribute to the creation of quality jobs and this is welcome. However, it is key to reinforce the social dimension of the Plan and to define specific tools and conditions to ensure this result.

It is necessary to attach to EU and national funding and support strong social conditionalities. Any public funding should be conditional on the recipient companies providing quality jobs and working conditions, collective bargaining and the respect of collective agreements, avoiding redundancies and deterioration of working conditions, access to training and creation of high-quality apprenticeships and graduate roles.

### **Effective regulation is one of the answers**

Protective rules ensure a level-playing field and resilient, high-quality and future-proof economic activities based on innovation of process and product and should not be considered as a drag on competitiveness.

We need a regulatory environment that protects workers and the environment.

We must not to pursue a failed deregulatory agenda.

Instead, we must look at the most effective ways to achieve the objectives of the regulations. Strong enforcement, inspections and public administrations are key.

### **Austerity is the wrong answer**

Colleagues,

This discussion comes at the time while workers all across Europe are still suffering in a dramatic cost-of-living crisis.

Wages and pensions have not risen enough to keep up with inflation and in nearly all Member states workers have experienced a drop in real wages and purchasing power. Rising inflation has a greater cost-of-living impact on lower-income earners.

Workers are the victim of this crisis not the cause. Wages are not driving inflation. Minimum wages need to increase and collective bargaining need to be promoted and supported. Not raising wages is bad economics, it's bad for business too.

Nobody should benefit from exploiting this crisis, so steps must be taken to prevent profiteering, for example by curbing dividends and ending speculation in food prices. Fair taxation is part of the solution.

In designing our competitiveness, we can take inspiration from the work that President Biden is doing in the United States. The Inflation Reduction Act includes policies like tax credits for companies that pay fair wages and invest in the workforce and taxes on corporate stock buybacks to encourage businesses to reinvest profits and incentives to establish clean energy projects in communities previously reliant on extractive industries.

### **Interest rate increases are the wrong answer**

Interest rate increases are the wrong remedy and harm workers and businesses. Struggling families are now hit with higher mortgage and loan repayments. This is even more damaging at a time when banks are failing and business bankruptcies are at their highest since 2015.

### **Disregarding social dialogue is the wrong answer**

The European Trade Union Confederation would like to express the very strong support of the whole European trade union movement for the French trade unions in their mobilisation against the unfair pension reform pushed through by the government. The European Social model is based on social dialogue. The way in which the French pension reform was adopted, without dialogue and discussion with social partners is not acceptable.

The respect for social dialogue and for the role of social partners is a key component of democracy in Europe and must be promoted, not disregarded.

President von der Leyen, President Michel, Prime Minister Kristersson, Vice-President, Commissioner, Deputy Prime Minister, colleagues,

In this difficult circumstances, we must reiterate our joint commitment to the European Social Model.

The success of the European project depends on our capacity to continue to improve working and living conditions all across Europe and to ensure upwards social convergence.

This will depend on the ability of the European Union to deliver the right answers to competitiveness.

To guarantee industrial investments creating growth and quality jobs all across Europe, in every region and in every Member State.

Now more than ever, solidarity is key.  
Now more than ever, we can only succeed if we succeed together.

Thank you very much.