

European Economic and Social Committee

Employers' Group

Newsletter September 2015

2010-2015 term:

fulfilling our mandate

in turbulent times



Dear Readers,

The September 2015 plenary session marks the end of the 2010-2015 EESC mandate. I had the pleasure and privilege of presiding over the Employers' Group for the second half of this term. For Europe and Employers this was undoubtedly an extremely interesting time, challenging us to deal with the longest economic and financial crisis in a century and forcing us again to think carefully about the European project.

At the mid-mandate, we adopted a set of political priorities based on a wide consultation within the Group. Thus, we focussed our areas of activity on macro-economic stability within the EMU and the EU as a whole, arguing the need for a competitive integrated European Industrial Policy based on the freedom to operate for businesses, the EU internal market, sustainable growth and jobs, the social dimension of the

EU and, last but not least, Europe's position in the world with regards to free trade.

The Group adopted a project-oriented approach when organising its work during this term, which allowed us to analyse topics from multiple perspectives. Looking at TTIP as an example, it started with the EESC opinion on TTIP, which was followed up by a number of conferences, hearings and publications, and afterwards continued with our work on other, more detailed opinions on particular aspects of the deal (SMEs, ISDS). A key accomplishment was the joint declaration of the Employers' Group with (nearly) all European business organisations setting out for the European Commission and Parliament what we expect from the TTIP negotiations.

The Group has significantly improved its relations with its partner organisations: BUSINESSEUROPE, Eurochambres, EuroCommerce, CEEP, UEAPME and Copacogeca; and thanks are due to all of them for the major achievements we reached together. We also managed to cooperate more closely with national employers' organisations, which our Members represent, and all our events have been organised as a joint effort with our national organisations. The Group deliberately focusses key activities in the country holding the Presidency of the Council of the European Union. Highly successful 'going local' events were held during the Lithuanian, Greek, Italian, Latvian presidencies, and currently in Luxembourg.

The EESC must not operate in its own universe: us talking only to us. Business, employers understand this as no other. Consequently, we intensified our efforts for closer cooperation with the EC, the EP and the Council



(i.e. meetings with Commissioners, representatives of the Council, Heads of Cabinets, MEPs, etc.) The group sent a strong message to the newly-elected MEP and European Commissioners. In two special editions of the Group's newsletter, we highlighted business needs and expectations for the current term. The key leaders of the European and national employers' organisations contributed to these publications.



The Employers' Group truly fulfilled its mandate as the voice of business and employers within the Committee. When circumstances required it, we did not shy away from speaking out; if need be differently, than the two other Groups.

According to the nomination lists delivered by a majority of the Members States, more than 40% of our Members will not continue their work at the EESC during the next term. I would hereby like to thank all of them for their deep involvement and commitment throughout all these years. Their knowledge and experience will continue to be an inspiration for the current Members.

Sadly, two of our colleagues were not able to finish the current term. Dr Göke Frerichs and Tony Vandeputte passed away in 2014 but their legacy and spiritual wisdom is constantly with us...



About the author:

Jacek P. Krawczyk
President of the Employers' Group
Vice-president of the Polish
Confederation Lewiatan



Peace is more than a dream

by Waltraud Klasnic

My goal in life is to live peacefully and, by doing so, set an example to others! It has always been particularly important to me to be forward looking. However, in drafting these lines, I allow myself to look back on nine years as a member of the EESC.



The EESC is a community of people who, out of conviction, share their experiences and particularly ideas on behalf of civil society; who draft opinions in study groups; and who seek influence through a great deal of networking within the EU and internationally. It is a genuine effort, requiring much patience and strong democratic convictions, to shoulder responsibility and contribute constructively to shaping the future.

Over the course of the past nine years, I was responsible for a variety of tasks, together with other members. These included exciting, interesting and important issues ranging from the preparation and monitoring of Croatia's EU accession to the subject of "Violence in old age". I also participated in the joint EESC/CoR political monitoring group and worked on



About the author:
Waltraud Klasnic
Member of the Employers'
Group since 2006
Retired Provincial Governor

the Rules of Procedure. It was a pleasure for me to act as vice-president of the EESC's Employers' Group.

I would like to highlight in particular the work in the study groups. It raises awareness of the EU in general but also, in particular, of issues that will be of great concern to us in the future. At section meetings, members engage in intense and committed discussions on each amendment, in an effort to make improvements.

At plenary sessions, the information provided by the Commission, the Council and many high-level guests makes a great contribution to the goal we aim to achieve.

For me, this goal is a successful EU policy that reflects the values of a **social Europe**. In order to achieve this, we need an innovative economic strategy. But above all, we need **peace**.

The **refugee drama** preoccupies all of us – those working for the EU, the EESC and individual Member States. But first and foremost, it touches the hearts of each and every one of us. What is **required at this time** is for us to offer help collectively.

There is a **time** for everything: I am now returning to my home country, Austria, taking with me my valuable experience in the EESC and many contacts. In Austria, I will work with the hospice movement, victim protection associations (focusing on the prevention of abuse and violence) and Montanuniversität Leoben, in the hope that they may all benefit from my experience.

I thank you and I have faith in a **bright future!**



An Honour and a Privilege

by José Isaías Rodríguez García-Caro

There are many proverbs which cite brevity as a virtue. I do not agree with all of them. (According to Shakespeare, "Brevity is the soul of wit", while for Alexandre Dumas, "Brevity can accommodate everything" [Tout est dans peu] and Baltasar Gracián's remark, "Good things, when short, are twice as good", is probably the most accurate, if the least frequently observed). And perhaps for that reason, in my case it does not apply.

Because how can you condense a 24-year career at the European Economic and Social Committee, representing Europe's social and economic life, into a single page? I have served on this Committee since 8 July 1991 and have felt it to be both an honour and a privilege. It was an honour to be appointed a Member of the EESC by the Council of the European Union, tasked with representing the interests of Spain and of Spanish businesses in a European framework and with a European outlook. It has been a privilege to bear witness to and be part of an era during which Europe experienced an extraordinary process of integration, while at the same time Spain benefited from development and modernisation on a huge scale, thanks to its membership of a united Europe.

I have learned - not without difficulty - to "compress" computer files. But how can I now "compress" the work of 24 years, reflected, among other things, in the drafting of 74 Committee opinions as rapporteur? Behind all of this, aside from technical evaluations, analysis, information, meetings, expert advice, stances taken, etc., is a task that is not always tangible and which requires hard work so as to ensure that the doors of the institutions are always open and that bridges may be crossed in any direction.

The Commission, the European Parliament, the Council, European employers' associations and social and trade union movements merge together to form a microcosm that, clearly, you cannot become a part of merely through official accreditation. You need hard work and a *modus operandi* that can only be achieved



over time, as well as a level of experience that must be earned, as nobody will give it to you.

My initial, naive assumption was that the EESC was a kind of "Jurassic Park", of doubtful institutional interest and value. Nevertheless, the 24 years that I have spent in this fascinating observatory of European organised civil society have enabled me to perceive the EESC's particular value and have provided a two-way experience, in that what I received amply rewarded my contributions and the dedication that, limited only by time constraints, has motivated me.

I have learnt many lessons over the course of these years. I have worked on a range of topics, with exceptional individuals and, moreover, with the great added value of multiculturalism. In this school of life, in which Spain and the defence of her business interests has been the main focus of my attention, my desire for consultation and consensus meant that I ultimately developed strong ties with my colleagues in spite of our differences. Throughout this period, I have remained



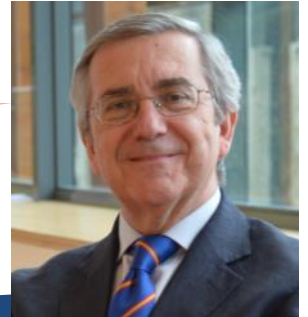
conscious of the fact that this socio-economic and cultural world of dialogue and negotiation is an essential ingredient in the European model of society and in the social model that is already part of Europe.

The "Founding Fathers" of the European integration project demonstrated exceptional foresight when they incorporated the organic presence of civil society into the European decision-making process. Without civil society - without its involvement, its participation and its commitment - it will not be possible to build European integration with a human face. This is the major challenge and, at the same time, the major responsibility of those individuals who, in October, will begin their terms of office as Members of the European Economic and Social

Committee, which will run until September 2020. I wish them all the best of luck. It has been an honour and a privilege for me to work here during a very significant part of my career. I will remember my time here as one of the most passionate and intense experiences of my life.

About the author:

José Isaiás Rodríguez García-Caro
Member of the Employers' Group
Spanish Confederation of Employers'
Organisations (CEOE)



Those who passed away...

Unfortunately, the 2010-2015 mandate also had its sad moments when we learned of the deaths of some of our colleagues and friends.

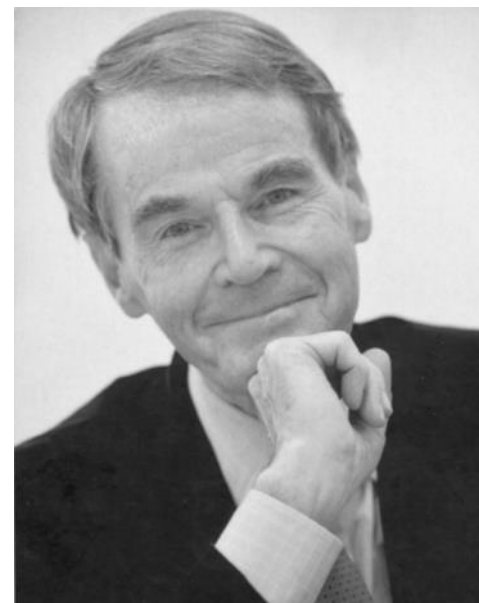


Dr Göke Frerichs, former Committee president and member of Group I, passed away on 26 September 2014. Dr Frerichs held a doctorate in political sciences and was a member of the Bundestag (German parliament) from 1965 to 1975. His long political career led him to the office of president of our institution from 2000 to 2002. He was also vice-president of the Committee from 2002 to 2004 and an observer for the Committee at the European Convention in 2003. He was awarded the Grand Cross with Star (Großes Verdienstkreuz mit Stern) of the Order of Merit of the Federal Republic of Germany and the Gold Medal of the Foundation of European Merit.

Göke Frerichs worked tirelessly for the European project, building bridges between opposing parties, building a better Europe for all, and never losing sight of his ideals. His wisdom and courage continue to inspire us.

Tony Vandeputte, a Belgian Member of the Employers' Group, died on 18 November 2014 at the age of 68. He joined the Committee and the Employers' Group in 2004, having previously directed the FEB-VBO, the Belgian Federation of Industry, for 14 years. He had joined that organisation some ten years previously as a general adviser. During the ten years that we benefitted from Tony's presence in the EESC, he was active in the ECO and TEN sections. But Tony was also a source of wisdom and a builder of bridges between the various parties in the Committee who provided great support to his colleagues and staff.

His experience as a social negotiator in Belgium convinced him of the importance of dialogue and forging relationships with negotiating partners. This he did with compassion and enthusiasm and a never-failing energy.



Competitive Industries for Sustainable Growth and Jobs

Digitalisation and the development of innovative technologies that can be brought to the market must play a central role if Europe wants to regain industrial competitiveness and deliver on its promises of growth and jobs. Furthermore, a flexible labour market must replace the current labour structure in order to facilitate the emergence of the freelance economy of the future. These were the main messages to emerge from the conference on "Competitive Industries for Sustainable Growth and Jobs". The discussions were organised by the Bulgarian Industrial Capital Association and the Employers' Group and took place in Varna on 6 July.

Benefiting from digitalisation and innovation

Participants emphasised the fact that, compared to China and the US, Europe is losing competitiveness. Thus, new solutions must be considered to revitalise European industry. An excellent opportunity to do so is digitalisation, which could create 3.7 million new jobs and increase annual GDP by €795 billion by 2025 in the European Union. In both the European Union and Bulgaria, Internet access has certainly increased in recent years, and there is a strong demand for IT-trained people, who are well paid.

In order to become competitive, the European Union must focus not just on digitalisation, but also on stimulating innovative technologies in general. Industry 4.0, the growth initiative meant to take advantage of ongoing technological innovations and the creation of value chains, should be embraced by Member States, which should put in place the appropriate framework for businesses to innovate. This is all the more important because, instead of converging, EU economies are diverging due to the growing gap between rich and poor Member States.

Better access to finance for SMEs

Participants also discussed the financing challenges faced by SMEs in the European Union, based on a study commissioned by the Employers' Group and produced by Lighthouse Europe. The European Union provides a wide range of information on financing possibilities for SMEs, but SMEs simply do not have the capacity to use this information. Furthermore, SMEs must stop relying solely on the banking system and also use capital markets and EU funds. Furthermore, participants agreed that the definition of SMEs

should be modernised, as it currently puts together a vast array of enterprises which have their characteristics. Specific policies should be put in place for micro-enterprises, which have little in common with medium-sized enterprises. A new Small Business Act with a fresh approach is also needed if sustainable jobs and growth are to be achieved.



A flexible labour market in Bulgaria

The state of the Bulgarian economy was another important topic for debate, in particular the labour market, which poses a serious structural problem. Currently, around 160 000 young people (under 29 years of age) are outside the labour system because of their poor education and their lack of motivation. Education is a viable concern, as there is a huge and growing gap between literate and illiterate children in Bulgaria, and most young people shy away from technical degrees, which could prepare them for the jobs of the future. As the Bulgarian population is expected to shrink from 7 to 5 million inhabitants, demography must also be taken into account. Furthermore, brain drain is increasing as Bulgaria is exporting skilled citizens such as doctors and engineers. To address all these challenges, the Bulgarian government intends to develop improved education and training systems and specific work contracts for agriculture, as well as encourage educated people to stay in the country.

The minimum wage in Bulgaria was also part of the debate. The minimum wage has increased sharply in recent years, but is still very low compared to the rest of Europe. In Bulgaria, it is determined by the government after discussions with the social partners. The pros and cons of setting a minimum wage were discussed. On the positive side, there is calm when the social partners can agree on a new wage. On the negative side, the increases are often not justified by economic factors.



Furthermore, it is not a salary that motivates young people to work, as they can get this amount from their parents or by working seasonally in agriculture in other Member States. Employment conditions should be more flexible to be more interesting for employers. In Europe, patterns of employment are changing as employers and people in general are beginning to appreciate the flexibility of not having a fixed 40-hour week or a minimum wage. Considering that productivity in Bulgaria is lower than in other Member States, only a low salary can compensate for this and maintain the country's competitiveness. Mr Krawczyk, president of the Employers' Group, concluded by arguing that industry needs to be incentivised to create jobs by making legislation "lighter" and introducing flexible labour markets.

In addition to the conference, the Employers' Group held an extraordinary bureau meeting in Varna on 7 July. An important topic for debate was the current situation in Greece. After the referendum on austerity measures, trust between Greece and its creditors has deteriorated, and finding a way out of the impasse is becoming increasingly difficult. Members showed their concern regarding the current liquidity crisis, which has had the effect of stopping business completely and is effectively destroying the Greek economy. Furthermore, unemployment is at 30% and the crisis has also caused brain drain. Members of the Employers' Group reiterated their support for Greece's Eurozone membership. However, in return, Greece must implement the necessary reforms and get rid of the excessive bureaucracy that still exists and hampers entrepreneurship.

The single market of the future: Adapting the EU legal framework to the needs of businesses



On Tuesday 21 July 2015, Fedil – Business Federation Luxembourg and the Ministry of the Economy organised a conference in Luxembourg on the internal market. High-level representatives from the European Commission, the European Parliament, the European Economic and Social Committee, Member State administrations, business and think-tanks took part in the conference.

It took place the day after the informal Competitiveness Council and focused on the benefits of the internal market, a subject at the top of the Luxembourg presidency's agenda.

Fedil president Robert Dennewald said that "developing the single market and ensuring that it functions properly is strategically important for Luxembourg's businesses, given that 90% of Luxembourg's trade takes place within the European Union. In this sense the single market is our domestic market.

We are therefore pleased to find that the Luxembourg government is a willing ally that wants to press ahead and make progress on the completion of the single market".

Under the heading "The single market of the future: Adapting the EU legal framework to the needs of businesses", this half-day event focused on the ongoing challenges facing businesses in the internal market and provided food for thought on the new internal market strategy which the European Commission is due to adopt this autumn.

According to Deputy Prime Minister and Minister of the Economy Etienne Schneider, "making progress on creating a real internal market without borders, including access to online products and services for consumers and businesses, is a top priority for the Luxembourg presidency. We must act quickly to break down the many legal barriers that make it difficult for companies to sell their products beyond their national borders – online and offline – while taking steps to boost consumer confidence and protection. This conference has been an ideal opportunity to discuss possible lines of action".

Discussions at the conference centred around two topics which were addressed by two successive panels:

- Creating a single market without borders for products and services: The way forward.
- A European policy suited to the objectives at hand: Adapting regulatory tools to the new economic situation.



2010-2015 term: facts and figures



Rapporteur



45

Plenary Sessions

*34 conferences
and seminars
organised by the Group*



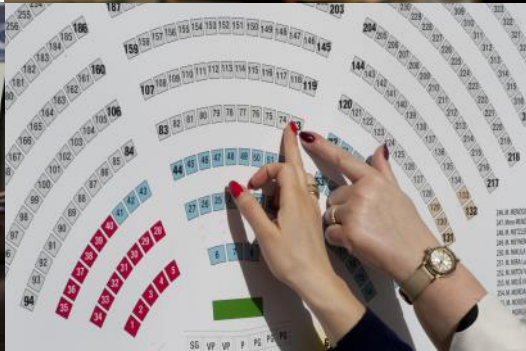
316 opinions

*with rapporteur or
co-rapporteur representing
the Employers' Group*



32

Extraordinary Group
and Bureau meetings



Address:

European Economic and Social Committee
Employers' Group
Rue Belliard 99
1040 Brussels
Belgium

Telephone: +32 (0) 2 546 82 07

Fax: +32 (0) 2 2 546 97 54

E-mail: gr1@eesc.europa.eu

www.eesc.europa.eu/employers-group



@employers_EESC



EmployersEESC