

Lewiatan at the Tripartite Social Summit in Brussels

2011-03-25

Labour market reform merged with stable economic growth and increase of employment was the subject of the social summit that preceded the meeting of all heads of EU states. The debate attendees included, among others, prime ministers and employment ministers of Poland and Denmark, countries which are to host two following EU Council Presidencies. The March 24th session was chaired by Victor Orban, the Prime Minister of Hungary.

Introductory statements of EU representatives

EU representatives underlined the significance of the next European Council (March 24th-25th) for the future of EU economy. Adoption of the modified pact for competitiveness, presently referred to as the 'EURO+ Pact', will create foundations to sustainable development and will unleash competitiveness of European economy. M. Barroso underlined that fiscal consolidation is not a goal itself. It is, however, to facilitate economic development and constitute the foundation of financial stability. Victor Orban indicated that Hungary decreased its deficit not by tightening its belt but by increasing employment rate and economic growth. He indicated that it is the increase of employment rate which is possible to be improved in the whole EU. He stressed necessity to increase industrial potential of EU and to orient towards tough competition with USA and China instead of stepping aside. SME sector, environment and common energy policy should be also born in minds. Victor Orban admitted that not everything is accomplished in the domain of economy during the Hungarian presidency. It cannot also be stated that the crisis came to definite end.

Herman Van Rompuy on the other hand underlined that he is strongly attached to the European model of social economy, and that he thinks of its constant reorganisation. He reckoned the present GDP (1,6%) and 2012 forecast (2,0%) as good foundations for improving competitiveness within the coming years. Employment rate is slightly increasing despite the crisis; nonetheless the unemployment rate is not decreasing. Van Rompuy defined 'EURO+ Pact' as a new quality of coordination economy policies in EU and highlighted its openness into countries from outside the euro zone. It is a peculiar compromise between European solidarity and individual ambitions of particular member states.

3 most crucial foundations of EURO+ Pact were highlighted:

1. improving competitiveness of European economy
2. increasing the employment rate
3. balancing public finances in Pact signatories.

Moreover, in near future EU Parliament will promote the idea of flexicurity and dissemination of lifelong learning.

Herman Van Rompuy underlined the significance of the Tripartite Summit and dialog with social partners for the sake of implementation of the abovementioned reforms. He argues that the European social model needs to be based on economy.

Representatives of social partners, ETUC, BUSINESSEUROPE and CEEP, also expressed their viewpoints during the meeting.

ETUC indicated that EURO+ Pact poses many threats and that the trade unions' solidarity pact is much better. Highlighted issues included the problem of rising cost of living, slow increase in salaries and the significance of employment rate increase, as the best method for economic growth. Trade Unions pointed out that improvement of productivity does not depend exclusively on a worker, but also on management and workplace equipment, which depend on employers.

Philip de Buck from BUSINESS EUROPE stated that the only recipe for increasing economic growth is to double EU's potential, improve competitiveness of European economy and perform necessary modernisation. In order to do that, fiscal policy within EU needs to be modified and the social model made real. Social dialog and responsibility of all social partners is a key here. De Buck stated also that trade unions too often declare that reforms bring increase in employment mainly in low-paid sectors, while that is not the case. Eurofund research conducted between 1995-2005 proves that during that period majority of work positions were formed in sectors which require higher qualifications and are better paid. Trade unions attack EURO+ Pact saying that it kills collective labour agreements and social dialog. The case of Germany, where social partners were able to achieve agreement in autonomous dialog and contribute to creation of 1,6MM work places until 2003, shows that this is not true.

Philip De Buck underlined that according to member federations, governments of their countries are not trying to repair the labour markets. He highlighted that it is of key importance to introduce a labour market based on flexicurity model, as it will contribute to formation of new work places.

Voice of employers' organisations and trade unions

Jerzy Guz, representative of the All-Poland Alliance of Trade Unions (OPZZ), indicated that the crisis is not caused by workers and their responsibility for work places, in the same extent as their owners', cannot be denied. He highlighted that the cost of living is rising while salaries remain unchanged in majority of cases. Trade unions confirmed they are ready to support employers in the creation of work places.

Henryka Bochaniarz (PKPP Lewiatan) supported EURO+Pact and the standpoint of the Polish Government on behalf of the Polish business. Her statement contained specific tools to realise the pact: Single Market Act and improved implementation of EU law into national legal systems.

Opinion of Polish, Danish, Hungarian heads of state

Donald Tusk made a short speech and related to the issue already mentioned by ETUC i.e. increase in the cost of living. He considers it as a very important issue, which heads of European states should focus on and change words into actions, so that the competitiveness, also as far as the cost of living is concerned, becomes a fact. This is of great importance during the time of economy slow down.

Minister Jolanta Fedak underlined that when planning future activities in the scope of economy and labour market, one should reconcile short-term actions with the policy of long-term goals accomplishment.

Getting out of the crisis gradually is possible provided that the economy is healthy and enterprises competitive. Thus, better conditions for business activities are grounds for growth based on investment in human resources and infrastructure.

Minister Fedak pointed out that consequences of the crisis and actions aiming at getting out of it should be also evenly shared between employers and employees. Similarly, the rule of unified taxation of capital and labour should be implemented. Social dialog is a key condition to realise these tasks.

Lars Lokke Rasmussen (Denmark) focused his statement around advantages of the Danish model of flexicurity, and Gyorgi Matolcsy presented information on Hungarian economy and labour market on behalf of Hungary.

Laszlo Ador (Hungary) underlined the importance of DG Employment actions for the sake of

realisation of postulates formed at the Summit. A statement on flexicurity will be released next year (during Danish presidency) and another round of discussions with social partners will take place regarding the directive on delegating workers. Andor, the Commissioner, said that the will for autonomous talks between BUSINESSEUROPE and ETUC on the directive concerning work time is very important, although differentiation of original standpoints may be noticed. Negotiations are planned for the time of the Polish presidency.

Summit Conclusions

Manuel Barroso thanked all participants for dialog-based attitudes. He said that the gathered parties are clearly interested in increasing economic growth and employment rate. He indicated that the commission is preparing appropriate solutions for these issues, e.g.: Single Market Act (the draft will be presented in March) and long-term financial framework.

Attendees:

- Henryka Bochniarz, the President of PKPP Lewiatan; Piotr Sarnecki, Director of PKPP Lewiatan Brussels Office
- Polish government representatives: Donald Tusk, the Prime Minister; Jolanta Fedak, Minister of Labour and Social Policy; Jan Tombiński, Ambassador, Permanent Representative at EU
- BUSINESSEUROPE representatives: Philippe de Buck, General Director, Steven D'Haesseler, Social Relations Director, Presidents of confederations of Denmark (DA) and Hungary MGYOSZ - Business Hungary
- representatives of FIEC (Elco Brinkmann), UAPME (Loek Hermanns), CEEP (Carl Cederschiold, the President and Marek Motyka, Vice President of Polish Employers – as an observer)
- EU representatives: Herman Van Rompuy, the President of the Council; Manuel Barroso, the President of the European Commission; Victor Orban, Hungarian Prime Minister, the President of EU Council; Gyorgy Matolcsy, National Economy Minister of Hungary; Lars Lokke Rasmussen, Danish Prime Minister; Inger Stojberg, Danish Labour Minister; Laszlo Andor, EU Employment and Social Affairs Commissioner
- ETUC representatives: Wanja Lundby Wedin, ETUC President; Joel Decaillon, new ETUC General Secretary; John Monks, ETUC General Secretary (stepping down); Jan Guz, the President of OPZZ and presidents of Hungarian and Danish trade unions.