

Conference "Building a common approach to a new start for social dialogue" Introductory Remarks by Martin Schulz, President of the European Parliament

Brussels - 05-03-2015

Dear Vice-President,
Dear Mr Dombrovskis,
Dear Minister, Mr. Augulis,
Dear Mr Beyrer,
Dear Mr Reck,
Dear Mr Almgren,
Dear Ms Ségol,
Ladies and gentlemen,

First, I would like to thank Vice-President Dombrovskis for organizing this timely conference on re-starting the social dialogue on the European level. It is indeed highly welcome. As you might know, the European Parliament has for many years called for the close involvement of social partners in economic governance and in any structural reforms. If the crisis has taught us one thing, it is that we can no longer conceive of the European economy as consisting of black boxes, of separate national economies - our economies are closely intertwined. What happens in one country affects other countries. As the challenge is European, our solution must be European. So clearly, we have to better coordinate our economic policies. But if we want to assure a social market economy in Europe, we also need a social dialogue on the European level and we must involve the social partners in European economic governance.

The trick question is, of course, how to achieve this in practice: For one, we are faced with different national labour market models.

In some countries great importance is attached to social dialogue and social partners. In others not so much.

In some countries social partners have quasi-legislative powers. Structural reforms cannot even be implemented, if the social partners are not involved or do not consent. If you take the country specific recommendations for example, some governments cannot decide all-by-themselves on certain structural reforms, e.g. raising the retirement age or changing wage indexation mechanisms.

In other cases a mature social dialogue hardly even exists.

This has very practical implications for economic governance.

Another issue is the autonomy of social partners. For instance, can social partners organised at EU-level commit social partners on national level to structural reforms? I am sure Ms Ségol and Mr Beyer will later share their experiences on this issue with us.

And I am looking forward to proposals coming from this conference on how to solve these problems in practical terms.

The European Parliament is very clear about its goals. We believe that all labour market reforms should be based on the reinforced coordination of social dialogue. We also want to see the social partners involved in the implementation and monitoring of the European Semester, the Europe 2020 strategy and its governance process.

The tripartite social summits that meet ahead of the spring and autumn European Council provide a great opportunity for the social dialogue to turn into reality at EU level. The role of these summits should therefore be strengthened and its link with the subsequent European Councils be enhanced.

As a German, I know the crucial role that the partners can play on the labour market, the value of their expertise. I am convinced that everyone benefits from strong and equal social partners, that social dialogue is essential to make reforms possible, sustainable and effective.

I am very worried about the cracks which are starting to appear in our European Social Model. The financial crisis has put workers and workers' rights in many countries under severe pressure. As a consequence of the crisis. As a consequence of one-sided austerity measures. And because economic freedoms unleashed in the internal market threaten to undermine social rights anchored on the national level.

One example is the right to strike. It is increasingly put in question. Also through the introduction of the element of proportionality in the verdicts of the European Court of Justice. Surely, we do not want the internal market to be misused for a race-to-the bottom. It's really a choice between fair working conditions, quality jobs and productive labour or competition based on social and wage dumping that will leave all of us worse off. Our Nordic member states show us that reforms do not need to result in a crackdown on the social system. The Nordic countries demonstrate that a strong and competitive economy is compatible with social cohesion. They know that investing in people means investing in our future. Because in a globalised world, human knowledge and human skills are key factors for prosperity and success.

Some want us to believe that our European social model is the cause of the crisis. But it's not. Our European social model is part of the solution. And we have every reason to be proud of it and defend it.

After the end of the Second World War: we achieved something unique in Europe: borders were opened, a region laying in ruins became the wealthiest internal market in the world. Europe entered an era of stable prosperity, peace and freedom, thanks to European integration but not least because we Europeans succeeded in developing a unique social model.

The broad political consensus that the State should create a framework for the economy gave birth to the idea of the welfare state. The gulf between rich and poor narrowed, and the greater equality that resulted allayed fears of a resurgence of extremism. As historian Tony Judt reminds us, the most important task facing post-war politicians was that of bonding the middle classes back to the democracies. The European welfare model became a bulwark against a return to the horrors of the past.

Even today, access to education, health, progressive taxation, co-determination for workers, pensions and unemployment insurance are ideas fundamental to social justice. But, as the post-war generation of Christian Democrat politicians from Adenauer to de Gasperi, from de Gaulle to Schuman, realised, they are also the best means of stabilising democracies, the best means of protecting them against political extremism, from the left and from the right.

For that very reason, the fact that today people are talking once again about a 'lost generation' in Europe should make us sit up and take notice. In Greece and Spain every second young person is unemployed. Many more are trapped in a spiral of unpaid internships and short-term contracts. These young people are paying with their life chances for a crisis they have not caused. That's not fair.

The social fabric of our societies is in danger of being undermined. And with it the trust our democracies are built on

fairness and justice; fair and just, the belief that with hard work and a good education you can make it.

It worries me deeply, that people are being incited to hate one another, are being played off against one another, even though they are all, we are all, victims of the financial crisis. The demons of the past are rearing their ugly heads once more, demons which have only ever brought suffering to the peoples of Europe. I note with alarm that xenophobia is gaining ground once again, that populist politicians are using cheap slogans to stir up public opinion.

Showing great vision, the post-war generation set about the task of creating a welfare state, with the aim of safeguarding social peace and stabilizing young democracies. We, as their heirs, must take care, not to destroy this great European achievement. While social policy is primarily the responsibility of national governments, I believe the European Union can and must play an important role in fleshing out the social dimension of the EMU and that social partners have a central role to play in the process. The EU must show that it cares for its citizens and realize once more its promise of peace, prosperity and progress. Thank you for your attention.