



European Economic
and Social Committee
Employers' Group

EU – THE HOME OF THRIVING BUSINESS AND PEOPLE

EESC Employers' Group Political Priorities beyond 2020



The political priorities of the Employers' Group stem from a vision of the **EU as the home of thriving businesses and people – generating sustainable development worldwide**. This calls on the EU to be a united and stronger global partner that, in the context of ongoing geopolitical, economic, demographic, technological and environmental changes, and considering the unprecedented impacts of the COVID19 crisis, succeeds to develop its full potential for the benefit of its population and people worldwide.

It is vital that the measures to manage the impacts of the corona crisis contribute to the long-term success of the EU. The political priorities described in this document are intended to support this purpose, in line with the Sustainable Development Goals (SDGs).



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Sustainable development requires the same kind of thinking as a family business: aiming for long-term profitability and the transfer of a thriving business to future generations. It also requires initiative, creativity and an overall entrepreneurial culture across society. This can best be achieved through the market economy and an open society, relying on the principles of freedom and responsibility and accompanied by an encouraging policy framework that at the same time safeguards public and social dimensions.

Common values and economic cooperation are the essence of the EU. The values – together with a sound and solid economy – also provide foundations for social progress and the European way of life. Managing climate change and

ensuring the sustainable use of natural resources are also vital for a sustainable future. Full use needs to be made of the potential offered by technological development and innovation, for the benefit of both people and the planet.

Businesses want to be a solution for sustainability challenges and act as a driving force in generating sustainable development: by providing people with jobs, goods and services, developing means for preventing and treating diseases, creating solutions for climate change and environmental problems, and contributing to public revenue for education, healthcare and social systems and internal and external security.

The Employers' Group believes that it is crucial for the EU to focus on the essentials and to rely on its strengths if it is to achieve the vision outlined above. With this in mind, the Group raises the following priority areas, which it does not consider separate but rather linked to each other in several ways:

- **Fostering EU values**
- **Strengthening the economic foundations**
- **Bringing the EU to the digital forefront**
- **Seizing opportunities provided by proactive climate action**

To succeed in these priority areas, the EU needs to act at both domestic and global level. In order to be prepared for the future, a robust effort must be made in the areas of innovation and education. Moreover, the Employers' Group wants to point out the significant role played by businesses and the whole of civil society in achieving these priorities.

More detailed positions responding to the concrete proposals and topics raised by the EU institutions will complement these political priorities.



Fostering EU values

The values of democracy, freedom, fundamental rights and the rule of law are the cornerstones of the EU. EU values work for an open society, which is important for both people and businesses. Unfortunately, there have been efforts to undermine these values from both inside and outside. This calls for ongoing monitoring and these values should be firmly defended. Social partners and vibrant civil society are important watchdogs here.

The involvement of businesses and other civil society parties in shaping and implementing policies is crucial, so as to make use of their expertise and to increase the feasibility and acceptability of policies. Social dialogue is also a vital guarantee of a cohesive society that pursues jobs for all as a central means of preventing exclusion.

While the rule of law is a matter of protecting citizens, it is also necessary for the functioning of the EU economy, for example by providing certainty and stability in the internal market. EU measures to enforce compliance with the rule of law are therefore a necessity.

Equality is deeply rooted in EU values. It refers to gender, disability, race or ethnic origin, sexual orientation, age, religion or beliefs and any other personal characteristics. Equality of opportunities lays the groundwork for social progress. Diversity is the other side of the same coin: it acts as a source of innovation and brings added value to individual organisations and throughout the whole of society.

While values cannot be “exported” or “imported” as such, the EU has the potential to have a global influence on meeting human rights, good governance, and environmental objectives by stepping up the implementation of international agreements and the Sustainable Development Goals (SDGs) set out in the UN Agenda 2030. The EU can here make use of a range of diplomatic practices, trade and investment agreements and financing conditions. The same also applies to accession negotiations in relation to the enlargement of the EU. Moreover, economic cooperation itself increases international stability and security due to stronger interdependence and interaction.

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Strengthening the economic foundations

A strong economic base and value creation are key to generating sustainable development and maintaining the ambitious European social model. Social policies need to go hand in hand with policies that boost economic development, recognising their mutual purpose for the common good. Job creation, skills development and inclusive labour markets are the best recipe for preventing inequalities and exclusion and enhancing societal stability. Economic and social progress are thus firmly intertwined.

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Business is the driving force behind the economy and future business will comprise a variety of producers in different sectors, as is the case today. However, they have one thing in common: development towards an economy that is smart and intelligent, carbon-neutral and circular. There is also a

need for a more inclusive economy, considering the potential offered by female employment and entrepreneurship among all members of society, the “silver” economy, and legal migration in response to labour market demand.

To support the economic transformation, the EU must cultivate entrepreneurial spirit throughout society and provide a business environment that encourages enterprises to innovate, invest and trade, while helping them to cope with fierce global competition and succeed in global value chains.

The need for a favourable business environment applies to regulation, taxation and allocation of public financing alike, keeping in mind that investment in innovation lays the foundations for European success. Modern industrial policy requires a comprehensive approach that aims to strengthen the competitiveness of EU enterprises across all policy areas. The right conditions for SMEs must also be ensured in all policy areas in order to unleash their potential to evolve and employ and to avoid causing extra burden for them compared to enterprises outside the EU.

A fully functioning single market – on terms that promote fair competition – remains the core of the EU economy. The essence of the freedoms must therefore be fully protected and must not be diluted or compromised.

Besides proper market and competition rules, investment in future-proof infrastructure is a necessity for the operability of the single market. Single market policies also need to consider ongoing developments such as the strengthening links between manufacturing industries, services and the digital economy. The single market in data has an ever-increasing role, as it is closely connected to the markets in capital, goods and services, including energy and transport systems.

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Economic foundations cannot be strengthened without robust investments, particularly private investments, supported by well-targeted public investment and a friendly pro-investment environment. This effort must be accompanied by the continuation of effective structural reforms and the practice of fiscal responsibility and prudence. The long-term growth of private investment is directly dependent on a credible economic policy and the reduction of fiscal imbalances. The tax system for its part should encourage innovation, entrepreneurship and job creation, and tax levels must be globally competitive.

As an enlargement of the single market, open and rule-based foreign trade constitutes yet another foundation for the EU economy. The EU needs to actively reject protectionism and develop its network of trade and investment agreements. The conclusion of ongoing negotiations, the ratification and implementation of finalised agreements and the launch of new negotiations are all required to make use of the global opportunities. The EU also needs to contribute to strengthening multilateralism and support the role and the modernisation of the WTO.

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A lack of labour force with adequate skills is evident in several sectors and thus emphasises – in addition to upskilling and reskilling – the need for enhancing the mobility of workers, students and talent across borders. At the same time, in order to meet the demand for skills, effective VET and apprenticeship systems are needed and it must be ensured that both women and men have STEM competences.

To enhance financial stability and predictability, the reforms aimed at completing EMU and strengthening confidence in the euro must be continued. Moreover, clear progress needs to be achieved in relation to completing the Banking Union and the Capital Markets Union.



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Bringing the EU to the digital forefront

Considering the rapid technological progress outside the EU, the EU needs to step up its efforts to improve its own competitiveness. This applies to a wide range of technologies, many of which respond to societal needs such as food, water, energy, mobility and housing. The development and uptake of Artificial Intelligence (AI) and other digital technologies is the most relevant example here, as such technologies have a transformational impact across the whole economy and across society. This is not only about economic competitiveness but also about security and the geopolitical role of the EU.

The EU should build on a strong industrial base for developing and making use of digital technologies and encourage the establishment of European business ecosystems and digital platforms. This requires the promotion of innovative businesses with high added value, while ensuring that all businesses benefit from the progress and minimising the risks to survival.

Investment in industrial and digital infrastructure and the development of the single market of data are essential in terms of strengthening the EU's position. Access to data and a level playing-field are crucial to be strived for at the international level as well. At the same time, it is increasingly essential to pay due attention to cybersecurity and the rules of data governance. European companies also need an overall business environment – including a taxation and regulatory framework – that provides them with favourable conditions compared to foreign competitors.

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While having a strong technological edge is a prerequisite for EU companies to succeed in global markets, it is also a prerequisite for the EU to be a global standard-setter, including in trustworthy AI. Bringing the EU to the digital forefront requires the EU to allocate considerable funding to research and innovation, and to facilitate cooperation between businesses, researchers, the public sector and other stakeholders.

People, with their knowledge, skills and competences, play a crucial role in the global race. The demographic situation is hampering the availability of workforce and, on top of that, there is an increasing qualitative skills gap. This calls for an urgent development in education and training to meet the demands of the AI era, including by ensuring a firm basis in basic skills and STEAM competences.

In addition to far-reaching reforms in the formal education system, there is an evident need for upskilling and reskilling in the workplace. Continuous learning – accompanied by adaptability and resilience – is a necessity to ensure everyone is able to respond to changes in the labour market and in everyday life. The demand for skills and competencies requires unleashing the whole potential of society, including that of women. It also calls for attracting talent from outside the EU.



Seizing opportunities provided by proactive climate action

Creating prosperity and wellbeing for people needs to be accompanied by the proper consideration of planetary boundaries in order to achieve sustainable development. Climate action and the sustainable use of natural resources are in the heart of ensuring environmental sustainability. Managing climate change requires collective international action. Proactive climate action is also an obvious part of today's business. The EU should strive to achieve the greatest climate benefits from a global perspective, while ensuring and improving the competitiveness of its own enterprises.

The EU can contribute to global climate change mitigation most effectively via companies which export climate technologies and solutions.

The EU therefore needs to engage other major parties to commit to a similar level of ambition as the EU itself. In terms of practical measures, the EU can contribute to global climate change mitigation most effectively via companies which export climate technologies and solutions, or which provide world-market products made with lower emissions than those of competitors. This requires policies such as global carbon pricing that would create a level playing field for EU industries in the export markets and with respect to importation.

The EU must focus on the most effective ways of decarbonising the economy and society at domestic level as well. Electrification and digitalisation help improve energy efficiency and achieve considerable reductions in emissions. Measures that promote the circular and bio-based economy also provide manifold opportunities for combating climate change and enhancing the sustainable use of natural resources – in a way that creates new businesses and jobs simultaneously. Skills development is a vital means of managing the transition in a smooth way.

Besides scaling-up existing solutions, the EU must be a frontrunner in climate-related innovation, finding new solutions for introduction in the EU and for exporting overseas. The EU must also be a leader in creating the right conditions for private investments in a climate-neutral economy and society. A certain and predictable policy environment is of utmost importance here.





European Economic and Social Committee

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EmployersEESC

Who are we?

We are a Group of European delegates for employers and entrepreneurs, with mandates from representative employers' and business organisations in the EU Member States. We are part of the European Economic and Social Committee and thus have a formal consultative role in the EU.

What do we believe in?

We believe in the European Union, and stand for its values of democracy, freedom, fundamental rights and the rule of law. We have faith in an economically, socially and environmentally sustainable market economy, responsible entrepreneurship and fair competition.

What do we strive for?

We advocate and work for a business environment that strengthens the competitiveness of European enterprises, encourages entrepreneurship and provides favourable conditions for innovating, investing, operating and trading. To foster this, we call for a strong EU that is founded on cohesion and unity.

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