Speech of Ferenc ROLEK vice-president of BusinessHungary addressed on the occasion of the high level meeting between the European Commission and the European Social Partners (Tripartite Social Summit) on 16th October 2024, Brussels

How to enhance the conditions for productive investment and quality jobs in Europe?

On behalf of the Hungarian business sector, I extend my gratitude for the opportunity to address this vital forum at a time when Europe faces profound challenges. Today, we confront a reality that weights heavily on the future of our economy and therefore ont he welfare of the European citizens: the productivity trend of Europe is alarmingly low compared to our main competitors. The urgency of improving European productivity cannot be overstated. Hungarian employers firmly believe that both the competitiveness of the European economy and the preservation of European prosperity hinge upon our collective ability to significantly enhance the productivity of our companies.

We must understandand and accept that the coming years won't a periode for harvest but more of investment to the future.

Productivity improvements must come from a joint effort of social partners, as a result of timely and meaningful social dialogue. It is a shared responsibility. Employers, workers, the EU and governments each have distinct but complementary roles to play.

Hungarian businesses are committed to contributing to this goal through strategic investment, digitalization, automation and the enhancement of work processes.

However, employers cannot succeed alone. Workers must play their part by embracing continuous training and assuming greater responsibility for productivity.

We are deeply concerned by the current downward trend in students' basic skills (reflected in Pisa reports) across Europe. Member States must prioritize the creation of competitive education systems that are adaptable to economic needs. Goverments and the European Union should harmonize other polcies with the productivity goal and significantly reduce the administrative, fiscal and legal burden of businesses. Public policies that promote investment incentives, and reduce wage burdens are crucial enablers.

In Hungary, and across the continent, we also stress that European competitiveness should not depend solely on the strength of a few dominant companies or industries. A resilient European economy must empower the entire business sector, with particular focus on small and medium-sized enterprises (SMEs). This is a sentiment echoed in the Draghi Report, which calls for resilience at all levels of the European economy.

Europe's economic disparities, especially between regions, remain significant. Hungarian employers strongly urge the European Union to resist a model of economic growth that deepens the gap between more developed regions and those less favored. This would have dire consequences for Europe's overall competitiveness. Instead, cohesion policy must focus on strengthening the less developed regions, ensuring they can attract and retain a competitive workforce in the face of labour shortages and other mounting challenges. I emphasize again the need for a financial scheme within the EU cohesion policy to compensate the less developped countries for the labour supply to the most develpped countries.

In conclusion, we believe that European prosperity will only endure if we act together to make our businesses more productive, our workers more skilled, and our economy more resilient. We urge the EU to lead in fostering this collaboration—between employers, workers, and governments—for a stronger, more competitive Europe.