*** Check against delivery ***
High-level Employment Summit
Milan, 8 October 2014

The session with Employment Ministers has shown that each Member State, based on its capacities and needs, is trying its best to accelerate employment and economic recovery, whether through labour market or structural reforms or both. We, the social partners, have explained in which capacity we do our share, for example, using at best opportunities given by the Youth Guarantee or the Knowledge alliance when it comes to the school to work transition.
In this session we should go further and answer the fundamental question: are we all ready to play in a united "European team"?

NOW OR NEVER

Despite the recent slow decrease of unemployment in Europe, economic stagnation keeps plaguing the growth potential of our European Social Market Economy.

To finally create a positive and fast paced movement for job creation more efforts are needed from the Member States, the EU Institutions, the Social Partners and Enterprises to reinvent the paths towards sustainable growth.
We can only succeed by being forward-looking and by thinking in terms of Sustainable Competitiveness for our economies. That is the only way to face the global challenges. Sustainable competitiveness means to make wealth grow *into the future* without depleting natural and social capital. One important example is for us to strengthen the European energy system in a way that allows it to support growth while being cost-efficient and to realize climate protection at the same time.
To implement the concept of sustainable competitiveness for all policy-fields, the priority is to reinforce our ability to invest for the long-term. This is a precondition for freeing our long-term growth potential. Juncker's 300 Billion investment plan is definitely a step in the right direction. However, many uncertainties remain on how to free such levels of funding from both public and private sources.

REINVESTING IN EUROPE

Cuts in public expenditure from 2010 to 2014 have reached 5 % as percentage of GDP in the Euro area. Amongst these, all types of public investment have been cut, including in transport, education, public administration, health, environment protection, and so on.

This is in our view a lost opportunity because preserving public investment could have made a sizeable difference in terms of output, employment and growth potential, while avoiding a major negative impact on budget deficits and debt ratios.

In this context, CEEP supports the European Parliament's call from 2013 to go beyond the present "investment clause" of the preventive arm of the Stability and Growth Pact. Member States currently implementing deep structural reforms should be able to benefit from an exclusion from the fiscal indicators of all national co-funding of EU-supported investments considered in the SGP.

More structurally, public services' employers all over Europe, employing 30% of the EU workforce and contributing to 26% of EU GDP, ask for a change of paradigm. Public and Private investments need to be complements rather than substitutes. An increase in public investment could boost, and not crowd out, private investment. This is the case for public investment in infrastructure or networks (energy, digital) as it improves the efficiency and allocation of private investment for specific firms, sectors, or projects.

This has been the core of CEEP's messages for the European Semester over the last six years. We were beginning to sound repetitive and pedantic but unfortunately we felt necessary to keep hammering this very message as "easy cuts" were persisting in too many Members States, diminishing those very segments of the public budget which could effectively help us get out of the crisis. Let me be crystal clear on this: As employers and providers of public services we know that the answer does not lie in "fresh money" artificially injected in physical and social infrastructures. The only way out is long term structural change and reforms, including, if not mainly, in public services. In this respect let me reiterate CEEP's satisfaction, expressed already this morning, for the recent reform of Public Administration in Italy. It is a good example of the kind of modernisation of public services we want to foster within our membership when speaking about "efficient and effective public services", including public administration.

TO CONCLUDE

We are at a key moment, with interest rates and growth at the lowest historical level and with unemployment at the highest. If we do not jump the step now from the monetary to the economic Union then when will we? The basis are there and the Europe 2020 strategy, with the "re-setting" offered by the mid-term review should be our, mainly your, roadmap.