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EU and social partners in Val Duchesse commit to strengthening social dialogue to tackle labour challenges

The 31th of January, at the **Val Duchesse Social Partners Summit**, the European Commission, the Belgian Presidency of the Council of the EU and European social partners signed a **"Tripartite Declaration for a Thriving European Social Dialogue"**. The Declaration stands for a renewed commitment to strengthen social dialogue at EU level and to join forces in addressing key challenges in our economies and labour markets. The aim is to support thriving businesses, quality jobs and services as well as improved working conditions.

Social Dialogue is a fundamental component of the European social model, contributing to economic prosperity, improving living and working conditions, fostering the competitiveness of EU businesses, and helping to anticipate and manage change, for instance in the context of the green and digital transitions.

Key outcomes of the summit

As part of their commitment to reinforcing Social Dialogue, the Commission, the Belgian Presidency of the Council of the EU and European social partners agreed to:

- **Address labour and skills shortages: having quality jobs and a workforce equipped with the right skills are essential for the EU's competitiveness.** However, currently nearly two thirds (63%) of small and medium-sized businesses said in a recent Eurobarometer survey that labour and skills shortages hold them back in their general business activities. The Commission, in cooperation with social partners, will present an action plan to tackle labour and skills shortages in spring 2024. Moreover, the four signatories committed to each do their part to bring more people to the labour market, improve working conditions, facilitate the recognition of qualifications, and integrate workers coming from abroad.
- **Put European Social Dialogue at the heart of our common future**: social partners play an essential role in how the EU responds and adapts to changing economic and social circumstances, including in light of the green and digital transitions. **The Declaration reiterates the EU's commitment to fully respect and promote the role of social partners and Social Dialogue.**
- **Establish a European Social Dialogue envoy**: the Commission will establish a dedicated European Social Dialogue Envoy to promote and strengthen further the role of Social Dialogue at European and national level. The Envoy will support and coordinate the implementation of the Commission Communication on strengthening Social Dialogue in the EU. The Envoy will be the contact point for social partners to jointly inform about concerns related to Social Dialogue.

- **Launch a Pact for European Social Dialogue**: a series of bipartite and tripartite meetings to identify how to reinforce Social Dialogue further at EU level. This includes EU institutional and financial support and capacity building, including through the **European Social Fund Plus (ESF+)**, as well as an agreed bipartite approach for the negotiation, promotion and implementation of social partners agreements. The aim is to conclude the Pact by early 2025.

For further information about this article, click here.

Business leaders blame skills shortage for Europe's industrial decline

The 6th of February, Euractiv published an article stating that business leaders and financial policymakers have claimed that a lack of skilled workers is one of the key factors impeding the reindustrialisation of the European economy.

The comments come amid falling industrial production as well as record low levels of unemployment across the EU. **Industrial output is down 5.8% compared to last year, while joblessness is at an all-time low of 5.9%.** They also follow a study published last year by the European Investment Bank (EIB), which found that 85% of European firms deemed a lack of sufficiently skilled staff an impediment to investment – making it the most commonly cited obstacle ahead of high energy prices (82%).

Speaking at an event held by Belgium's regional and federal investment firms the 5th of February, senior business and financial officials repeatedly emphasised the importance of addressing the bloc's skills shortage.

One of the biggest difficulties

Ms. Marjut Falkstedt, the Secretary General of the European Investment Fund (EIF), which provides venture capital to small and medium-sized enterprises (SMEs) and is majority-owned by the EIB, similarly noted that **"one of the biggest difficulties [faced by] companies are access to skilled labour"**.

Ms. Marjut Falkstedt, Secretary General of the European Investment

"[We] now need public authorities to focus on upscaling and improving training possibilities and also look with a new eye at the university system and high schools," she said. "We have to re-think the skills [and] skillset of our workforce."

Belgium: A microcosm of Europe?

Belgium, which assumed the six-month rotating Presidency of the Council of the EU in January, arguably suffers more acutely than most Member States from the twin challenges of creeping deindustrialisation and a historically tight labour market. Belgium's industrial output has declined at twice the EU average rate over the past year (11.6% vs 5.8%), while its unemployment rate is at a near-record low of 5.7% – below the EU average of 5.9%.

Over the last quarter century, the role of manufacturing in the economy has also shrunk more rapidly in Belgium than in the rest of Europe. Value-added manufacturing as a total proportion of GDP in Belgium fell from 18.2% in 1998 to 12.6% in 2022, while across the EU as a whole, it dropped from 17.8% to 15%.

Encouragingly, European policymakers have increasingly highlighted the need to protect Europe's industrial base in recent months – including Belgium's own leaders. Last month, **Prime Minister Mr. Alexander De Croo** explicitly called for an EU Industrial Deal "alongside the Green Deal" in order "to keep industrial production here with us in Europe".

Salt in the (industrial) wound?

Two recently published studies vividly demonstrated the severity of Europe's economic predicament. The OECD, a group of mostly rich countries, downgraded its projected growth rate for the Eurozone this year from 0.9% to just 0.6%, citing the "continued adverse effects of the energy price shock" as a key reason for Europe's anticipated sluggish growth. Notably, **the report also urged countries to introduce "policy reforms to improve educational outcomes [and] enhance skills development" to boost growth**.

Meanwhile, the ifo Institute, a Munich-based think tank, published a survey which found that 36.9% of German manufacturers reported a lack of orders last month, up from 20.9% in January 2023. Germany is the EU's largest economy.

Mr. De Croo's remarks were echoed by **Belgian finance minister Mr. Vincent Van Peteghem**, who urged the EU to "cut red tape" to incentivise European investment.

For further information about this article, click here.

Multiple vote share structures: European Council and Parliament adopt provisional agreement to ease SMEs' access to finance

The 1st of February, the European Council and the Parliament reached a provisional agreement on the Directive on multiple-vote share structures for companies seeking admission to trading of their shares on an SME growth market. The Directive aims at encouraging company owners, especially owners of SMEs, to list the shares of their company for the first time on an SME growth market using multiple-vote share structures, so that they can retain sufficient control of their company after listing; moreover, the Directive protects the rights of newly entering shareholders by introducing safeguards.

The provisional agreement extends the scope of the Directive to include more markets than just SME growth markets, defines the safeguards necessary for investors entering a multiple-vote share structure and establishes the necessary transparency rules for this kind of undertaking.

Encouraging SME listing

The Markets in Financial Instruments Directive (MiFID II) and the Markets in Financial Instruments Regulation (MiFIR) allowed for the creation of **"SME growth markets"**, a trading venue facilitating access to capital for SMEs. However, many entrepreneurs do not list their companies on these markets for fear of losing control due to the entry of new shareholders. One instrument to prevent this is the multiple-vote share structure, which enables controlling shareholders (i.e. company founders) to have more votes per share than new investors.

Currently, some Member States allow multiple-vote share structures, while in others they are prohibited. **The Directive aims to reduce inequalities for companies seeking to raise funds on SME growth markets** by creating minimum harmonisation in the Single Market that removes obstacles to SME growth markets access generated by regulatory barriers.

At the same time, **the proposed Directive protects the rights of shareholders with fewer votes per share** by introducing safeguards on issues such as how key decisions are taken at general meetings.

Scope

The provisional agreement extends the scope of the Directive to include, besides SME growth markets, any other Multilateral Trading Facility that allows the admission to trading of SME shares. A possible future extension of the scope to regulated markets could be included in the review clause.

Safeguards

The co-legislators have agreed on either a maximum voting ratio (this is the value of the votes per share that existing shareholders may hold compared to entering shareholders) being set, leaving its value to Member States' discretion, or a restriction for (most) qualified majority decisions by the general meeting. Other safeguards remain optional.

Transparency

To help investors make the right decisions, the agreement provides for the disclosure of the annual financial statements at the time of admission to trading and, thereafter, only when such information has not previously been published or has changed since its last publication. The co-legislators have also agreed to give a mandate to the European Securities and Markets Authority for developing regulatory technical standards on the most appropriate way of marking such shares.

For further information about this article, click here.

News from our Members

Christophe Sans is the new President of UNAPL

At the General Assembly meeting of UNAPL-France, held in Paris the 14th of February, its member organisations, and UNAPL Regional Unions, elected their new President: **Mr. Christophe Sans, expert-accountant by profession (ECF)**. Mr. Sans succeeds **Mr. Michel Picon**, appointed the 25th of January 2024 as Chairman of the Union des entreprises de proximité (U2P).

Mr. Christophe Sans, President of UNAPL

Mr. Sans has expressed the wish to continue the good work of his predecessor, especially regarding ongoing projects such as the reform of the professions' CPD.

CEPLIS cordially congratulates the new President of our French member and looks forward to a very fruitful collaboration with him and his team.

For further information about this article, click here.