

Position paper EUCDW on competitiveness

Europe's economic model is under increasing pressure from geopolitical tensions, trade barriers, and global competitors relying on low-cost labour and high productivity. To remain resilient, Europe must strengthen its **competitive sustainable social market economy**. This means an economy that empowers citizens, supports businesses in transitions, and delivers social progress.

Our **human capital** is Europe's greatest competitive asset. Skilled workers are the engine of economic and social progress. When we invest in people (through lifelong learning), we create the foundation for innovation. This investment requires shared responsibility, with companies playing a key role in continuously upskilling and reskilling their workforce, in partnership with public authorities and social partners. This perspective on necessary investments in people is shared by businesses and workers alike. (Social Partners Report *Improving skills matching in EU*). We have highly skilled workers, strong education systems, social security structures and social dialogue to enable people to participate fully in society and the labour market. The European social market economy is built on the principles of the European Pillar of Social Rights. These principles ensure fairness and protect workers while supporting long-term competitiveness. Europe must build on this foundation by advancing a **skills-first strategy**, ensuring workers are equipped for the rapid climate, demographic and digital **transitions**. This includes supporting people in working effectively with AI and new green technologies.

Furthermore, a competitive Europe relies on a **strong and healthy workforce**. This requires promoting safe and high-quality working conditions, and ensuring clear responsibility for workers' mental health. We aim to increase productivity while safeguarding citizens' wellbeing. It is crucial to actively invest in preventing absenteeism. By systematically involving public authorities and social partners at all stages of the policy-making process, Europe builds a more competitive and healthier workforce. By placing workers' health at the centre of our strategy, Europe reinforces its productivity, strengthens economic performance, and supports **sustainable employment**.

Europe must also increase its **strategic independence**. First, Europe has to diminish its dependence on external energy sources by investing in green energy. Second, within the realm of defence we should rely on a strong Europe within the framework of NATO. This strategic independence is based on strong economic and multilateral partnerships.

At the same time, Europe must strive for **smart regulation**: rules that are accurate, coherent, and free of unnecessary duplication. Europe has to set high labour and consumer protection standards in its regulatory framework. Such regulation should ensure companies predictability for innovation, investment, and growth.

In sum, EUCDW continues to promote an approach in which competitiveness and social progress advance together, ensuring that Europe remains economically strong and sustainable. This strengthens Europe's competitiveness while **safeguarding social and environmental standards**.