

Pierre Gattaz (BusinessEurope): 'Give back hope and pride to the people of Europe'

Right now the European economy continues to perform well. But will that still be the case following the European elections in May? Pierre Gattaz, the new voice of European business, is fearful of a weakening of the European Union. In his mind, it is high time that businesses let their voice be heard.

Mr Gattaz, are these good times for entrepreneurs in Europe?

'There is never a bad time for enterprising spirit. However, we are currently facing huge political uncertainty. There is of course the Brexit which could become a disaster for businesses; instead of building bridges between countries there will suddenly be walls again. At the end of the day, a hard Brexit means import tariffs, complexity, traffic jams at border crossings; in other words everything that had been made easier within the European Union. Then there is the protectionism of US President Donald Trump. That means less growth and that in turn makes it more difficult for businesses to survive. In Italy we have seen the populists taking over control, with everything that that entails. In other words, even though the economy is doing well, the situation around the world is not so rosy. The skies may be blue but there are threatening storm clouds on the horizon.'

European elections are due to be held in less than six months' time ...

'Indeed, and that is another cause for uncertainty. With so many disenchanting people there is always the risk of them voting for the extremes, and that could lead to further weakening of the European Union. Yet Europe offers us so many opportunities. We have fabulous people, fabulous talents, fabulous resources at our disposal. All in all, the next few months will be very important and that is why European businesses need to speak out more and deliver a clear message.'

What could happen if populist parties dominate the European parliament?

'It could bring the parliament to a standstill. That would mean no more decisions being taken and that in turn means a loss of time. I do not expect Europe to crumble immediately. But it would mean losing five years in a period of time when what we really need is a strong and unified Europe. That is something businesses right across Europe agree on.'

What makes a strong Europe so important right now?

'We are being forced to compete with economic giants like China and the United States, and in the future India, too. If we operate as individual countries we know we will never be strong enough. We are also having to face up to huge transformations, for example climate change and the emergence of artificial intelligence. We can also not ignore the demographic developments that are due to take place, for example with the population of Africa growing from 1 billion to 2 billion people.'

All in all a doom scenario then?

'Certainly not; although these changes can be threats, they also offer opportunities. I am an entrepreneur, so my glass is always half full. Businesses see opportunities for growth, for greater prosperity for people, and for jobs. Take for example the climate. We have a huge amount of expertise to offer. We have the cleanest technology in the world and that is something we should be proud of. Just think about what business can mean for Africa. We could introduce commercial activities, education and local jobs so that there is no need for people to come to Europe.'

'But all these challenges are too large to tackle on our own. That is certainly true of the Netherlands, but also of Germany and France. That is why we need the European Union. A market of 500 million people with one of the highest per capita incomes anywhere means power. And we must continue to spread the message that the EU has brought us peace, freedom and democracy. We must never forget that seventy-five years ago, the face of Europe was completely different.'

It looks very much like people are not willing to hear that message any more.

'In my analysis, there are five things that make people dissatisfied. Number one is a sense of insecurity. If you live in the suburbs where you barely dare to go out on the streets, your life is anything but happy. Number two is the lack of jobs. Without employment you are more likely to vote for an extremist party. The third is the lack of money in your pocket. You may have a job but at the end of the month you struggle to make ends meet because all your money disappears into tax. Fourth and fifth, people lack hope for the future, and pride. People want to be proud of something, but are we proud of Europe? I don't really think so.'

'Take Italy for example. In the South, people vote extreme left due to the lack of jobs, and in the North extreme right because of the migration crisis. In that sense, managing migration is absolutely essential for Europe. But all of these are areas in which businesses can offer solutions.'

Nonetheless, the private sector is seen as an evil genius rather than a provider of solutions. Why is that?

'You're right. It is something you even see in a prosperous country like Switzerland. That is why it is so important that we in business and industry continue to communicate and try to show our concern for people.'

Is that something businesses are not doing today?

'Many businesses are, but we need to spread the message. There are of course always exceptions, and there are businesses that do not look after their people, but they can never survive in the long term. The best businesses in Europe, often family-owned businesses that have been around for many years, do care about their people and the environment. You have to if you want to survive in business. You are then justified in imposing real demands in order to achieve excellence and quality; at the end of the day, everyone has something to be proud of.'

'Those are the things that companies should be communicating about more often. And not only about making a profit. That is of course important, but not to the exclusion of everything else. We should be more open in revealing people's pride, and the fantastic products we make. It sometimes seems as if companies have forgotten how to do that. We at BusinessEurope must offer businesses the help they need.'

You are a businessman yourself. What is your strategy?

'Something we at my company Radiall have been doing for the last ten years, at all our locations, is to offer classes of fifteen and sixteen year-olds and their teachers an alternative place to study. In other words, they follow their classes in mathematics, French and history in our conference rooms. Every two hours I take a small group of students and their teacher aside to talk to one of our employees, for example an engineer, a salesman or a machine operator. All-round it is a fantastic experience. After two weeks, all the students have spoken to ten or perhaps fifteen people from completely different jobs. Remember, many teachers and students have never been inside any kind of company. We show them that the work we do is clean, that people enjoy working here, that they are proud of their work and that everyone – from top to bottom – works together. Around a thousand companies in France have joined this programme. I am proud to be able to say that it all started with Radiall. It is a way of bringing together business and the world outside, so that people do not only hear the negative stories published in the media. The occasional crisis is unavoidable, but if you look after your employees during the good times, then you know you can count on them when things get tough.'

In the Netherlands, the flexibilisation of labour is a big issue. Do you feel it has gone too far?

'That is an important question not only in the Netherlands but in France, too. Given the unpredictability of the market in which we operate, there is a clear tendency to making work more flexible. It is certainly an issue in France, too. But what I am seeing is that for businesses, the lack of well-trained personnel is a far greater problem than the need for flexibility. Almost everywhere you look, the labour market is struggling with a shortage of people with the right skills. That is something we in the Member States must be alert to. And businesses must start preparing their employees for the changes that will come about as a result of the new digital economy.'

For the time being, when it comes to artificial intelligence, we are trailing hopelessly behind China and the US.

'I believe we need a fifth freedom, alongside the four freedoms of movement of capital, goods, services and people; the free movement of data. But not only the free movement of data but also a recognition of the value of data. In the US and China that is often sorely lacking. Europe needs to develop policy in that field and I am convinced that BusinessEurope could offer a helping hand.'

'The weak point for the EU is the lack of policy and speed when it comes to developments of this kind. Surely we in Europe should be able to create at least one tech giant along the lines of Google, Amazon, AliBaba or Tencent? In a Europe that is friendly to businesses, investors and scientists, that must be achievable within ten years. That is why I am calling upon the EU to have confidence in us, to listen to us, and to give us the oxygen we need to respond rapidly. It is not a question of the great ruling over the small; the winner will be the player who moves fastest. And we can be faster.'

Who is Pierre Gattaz

[Pierre Gattaz](#), is the new President of BusinessEurope, the European federation of business organisations. Last summer he succeeded [Emma Marcegaglia](#). BusinessEurope brings together around forty European business federations, including VNO-NCW. Gattaz has been employed at Radiall since 1992, a company established by his father and his uncle. In 1994, he became Chairman of the Board at the family-owned business that produces high-tech connectors. He was also chairman of several sector organisations and before joining BusinessEurope, was president of the French employers' federation MEDEF.

What is the vision of BusinessEurope?

Together, Europe's countries, companies and citizens have built the European Union, an achievement we can be truly proud of. It has made the European way of life possible. However, as BusinessEurope argued in [the vision it presented on 11 December](#), this must not be taken for granted. The world is changing rapidly and profoundly. 'The business community can be and wants to be part of the solution, whether we talk about the development of new technologies, the best use of digitalisation and data or paving the way for a more sustainable society.' The ambition of BusinessEurope for 2030 is 'A European Union that is strong and sets the agenda in the world. An EU that is a global leader in innovation, digitalisation and sustainability. An EU that functions efficiently. And an EU that is economically cohesive and socially inclusive.'