



15 October 2007

### **DEBATE ON FLEXICURITY – EUROPEAN PARLIAMENT**

Tuesday 16 October 2007 – 11h00

### **SPEAKING NOTES FOR PHILIPPE DE BUCK, SECRETARY GENERAL OF BUSINESSEUROPE**

Thank you for being present at this debate organised for the first time jointly by trade unions and business.

This debate is a “première” ! Because we will discuss flexicurity.

Why is it important to discuss flexicurity? This is about creating the conditions for more jobs and reviewing the existing social systems to make them sustainable but also to be able to face three major challenges Europe has to face.

#### Two are mainly economic with important social consequences:

- globalisation:
  - more competition;
  - new opportunities;
  - need to shift activities.
- technology:
  - fast changes
  - new processes
  - from hard to soft
  - from industry to services

#### The third one is mainly social with economic implications:

- ageing population: we are going to be two contributors for one beneficiary in 2050;
- social costs will increase which is a burden for society and the economy.

The main challenge is to turn Europe into a highly productive and competitive region from which all citizens will benefit.

This is the Lisbon Strategy / the growth and jobs project.

#### It is here that flexicurity has a role to play: flexibility and security

- flexibility for companies and securities for people in essence an European value;
- but also security for companies in order to develop and flexibility for workers in order to increase the employability / ability to change



\*\*\* check against delivery \*\*\*

There can be no question of exporting the Danish model. But let us take it as an example and learn from what functions well.

The system has been conceived as a change-maker:

- from job preservation to job creation: still 16 million unemployed of which half are “long term”;
- people know that they have to change: cfr eurobarometer (76% = no job for life / 72% in favour of more flexible contracts to encourage jobs creation);
- countries with high protection but a high feeling of job insecurity (FR).

How to find the best balance between competitiveness and social protection?

A holistic view must prevail:

1. labour contracts: a lot could be said
  - o basically: adjustments between workforce and work organisation;
  - o availability of a variety of labour contracts;
  - o hire and end of contract.
  
2. lifelong learning (and education)
  - o 20% of pupils under 15 years have reading difficulties
  - o Lifelong learning is a shared responsibility: \* member states  
\* companies  
\* individuals

⇒ But only 9.7% of adults participate in education and training (Lisbon requires 12.5% !)
  
3. Effective active labour market policies:
  - o encourage people to look for a job
  - o encourage people to increase employability
  - o be cost-effective and efficient
  
4. modern social security systems:
  - o unemployment benefits: create link between rights and obligations = “right and duties principle”

**No one-size-fits-all system:** one European social model but 27 social systems

- o Each country must examine where to focus its efforts:
  - north / south differences;
  - east / west differences.

Flexicurity is:

- o about change and adaptability;
- o the way to maintain the essence of social systems;
- o but part of Lisbon Strategy / growth and jobs;
- o role for social partners: joint analysis:
  - shows social dialogue
  - takes into account our conclusions