



SPEECH

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EGF STAKEHOLDERS' CONFERENCE "SOLIDARITY IN THE FACE OF CHANGE"

ADDRESS BY JØRGEN RØNNEST, CHAIRMAN, BUSINESSEUROPE'S SOCIAL AFFAIRS COMMITTEE

Ladies and gentlemen,

1. The real answer to globalisation lies in reinforcing the competitiveness of European companies, which implies improving companies' and workers' capacity to adapt to change. In EU policy terms, this calls for national reforms aiming at resolute implementation of the Lisbon strategy for "growth and jobs", complemented by efficient use of the cohesion policy funds.

2. BUSINESSEUROPE supports preventive labour market measures that facilitate smoother transitions on the labour market including the re-integration of workers in the case of redundancies. In 2008, whereas Member States agreed on common principles on flexicurity in December 2007, BUSINESSEUROPE recalls that the priority should be to design national flexicurity strategies supporting companies' and workers' efforts to adapt to change. The European Globalisation Fund (EGF) should work in this context and in no way contradict the spirit and purpose of anticipatory labour market measures.

3. The EGF is an "a posteriori crisis fund". At the time of its adoption in 2006, BUSINESSEUROPE expressed caution about this new instrument. On the one hand, many questions remained as to how the fund and its eligibility criteria would operate in practice. On the other hand, BUSINESSEUROPE's priority has been to make sure that the EGF is not wrongly used as a substitute for necessary reforms of labour markets in Member States.

4. BUSINESSEUROPE has read carefully the Commission's 2007 annual report of the EGF. We took note of the Commission's current approach which is to "*actively examine ways to modify the EGF regulation in order to reinforce the impact of the EGF on the creation of jobs, training and opportunities for Europe's workers*".

5. BUSINESSEUROPE believes that this is the wrong approach. As indicated in the annual report, the first implementation reports from the EGF's first users are not due until 8 September 2008, i.e. after our meeting today. In the present context, we lack feedback information on the first experiences in which the EGF has been used. We are therefore not able to make a clear evaluation of the functioning of the Fund and any change to the regulation 1927/2006 establishing the EGF is premature.

6. The Commission needs to understand that the EGF's added value cannot be measured through its actual take-up. The fact that only 3.7% - 18.6 million euros – of the 500 million euros made available for the EGF have been spent in 2007 is neither good nor bad news. Such a low figure is in any case not a surprise for a first year of operation. What matters is to measure the actual impact of the fund and its capacity to complement national efforts and strategies to better manage change. BUSINESSEUROPE for instance believes that workers benefiting from the EGF support should not be given a preferential treatment in comparison with other workers at national level.

7 We look forward to the Commission's 2008 annual report that will be published in 2009. We would only be able to take a position on whether a modification of the regulation is needed on the basis of the Commission's thorough evaluation of the use of the EGF to date.

Thank you for your attention.
