

23 September 2008

MEETING OF THE EMPLOYMENT COMMITTEE WITH THE EUROPEAN SOCIAL PARTNERS

BUSINESSEUROPE COMMENTS ON THE EU SOCIAL AGENDA

On 2 July, the European Commission published the renewed social agenda. Changes in our economies and societies are affecting every aspect of our labour markets. The key question therefore is how best to deal with these fundamental changes.

I would like to thank the Employment Committee for the invitation to set out how European companies respond to this question and to look at the role the social agenda has to play in it.

First of all, we welcome the forward-looking approach of the Agenda as reflected in its basic assumption, i.e. that *social policies need to keep pace with changing realities . they need to be flexible and responsive to change*. The main goals of providing opportunities, access and solidarity is also proof of this.

Secondly, we also welcome the Commission's attempt to be concrete and action-oriented and address the challenges facing the EU in the field of employment and social affairs in a horizontal and holistic way.

However, let me also remind you how important it is to put the renewed Social Agenda firmly in the context of the Lisbon Strategy. BUSINESSEUROPE is concerned about the lack of structural reforms, even reform fatigue in Member States. It is therefore crucial that any renewed social agenda gives a boost to the reform strategy for Growth and Jobs. Without a strong economy, it is difficult to create opportunities, provide access and demonstrate solidarity. Unfortunately, the Renewed Social Agenda was adopted two-years before the end of the Lisbon agenda and therefore not particularly articulated with the launch of the post-Lisbon strategy.

In addition, BUSINESSEUROPE regrets that in the renewed Social Agenda and the concrete Commission proposals (e.g. on the reconciliation of private and professional life) there is hardly any mention of the role and contribution of European social partners and European social dialogue.

The social package suffers from a lack of prioritisation with so many initiatives announced or proposed in numerous policy areas without any indication what the Commission considers the most urgent issue that needs to be addressed.

In terms of policies or initiatives addressed in the Renewed Social Agenda, let me highlight the following specific issues.

First, flexicurity. The Commission Communication on the renewed Social Agenda rightly emphasises the importance of implementing flexicurity. The common principles on flexicurity provide the roadmap to do so. I hope the European social partners' recommendations in the joint labour market analysis will also act as a source of inspiration.

Secondly, and related to flexicurity (in particular its components of lifelong learning and active labour market policies), there is the 'new skills for new jobs' initiative. This could be a particularly important initiative in light of current demographic trends. The population in working age will start shrinking in 2010, and will lose around 4 million people by 2020. Against this background, weak labour supply and growing skill shortages will become major growth bottlenecks in next decade.

The EU's social agenda needs to reflect this demographic challenge by focussing more on labour productivity, skills, adaptability and by developing a consistent agenda to attract global talents in Europe. 'New skills for new jobs' can play an important role in this respect.

With respect to the proposal on non-discrimination, BUSINESSEUROPE shares the objective of fighting discrimination but is concerned about new burdens and additional costs arising from the Commission proposal to combat discrimination.

To conclude, BUSINESSEUROPE is committed to play an important role in giving an appropriate follow-up to the renewed social agenda. We will pursue our joint work with the other European social partners. Last week, we have launched negotiations on the revision of the parental leave directive. We will soon enter into negotiations on an autonomous framework agreement on 'inclusive labour markets'. And last but not least, we have submitted a joint advice on EWCs.