



SPEECH

FRENCH PRESIDENCY CONFERENCE ON WORK ATTRACTIVENESS

9 OCTOBER 2008

9H30 – 9H50

**ADDRESS BY ERNEST-ANTOINE SEILLIÈRE
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It is with great pleasure that I have accepted the invitation of the French Presidency to introduce the second day of this conference.

The subject of discussion today, work attractiveness, has been at the heart of companies' policies across Europe for many years.

According to a recent survey from the Dublin Foundation, 80% of workers say that they are satisfied or very satisfied with their working conditions and with their work-life balance. European economies and societies are currently encountering difficulties. However, despite the immense challenges facing our labour markets, employment still is a satisfying experience for the large majority of European workers.

Policies that companies implement to make work attractive must be adapted to their specific needs and circumstances. Work attractiveness is also strongly influenced by the overall economic, social and cultural environment in which companies and workers operate. With the individualisation of lifestyles, workers' needs vary. There are many different ways to match companies' and workers' needs in order to achieve employment attractiveness.

There are many factors determining how satisfied people feel about their work and working conditions: job content, feeling of being supported, degree of autonomy and responsibility, pay, adhesion to the company's values, employment security, skills development, work-life balance, etc.

Starting where discussions ended yesterday, let me first address the issue of pay.

Wages are obviously an important element in any discussion about work attractiveness, especially in times of weakening economic growth and persistent inflation. However, the answer to legitimate concerns about purchasing power is not higher wages per se but lower prices, more jobs and higher aggregate productivity. Indeed, it would even be harmful to give in to calls for higher pay rises across the board in the current economic environment. Excessive wage demands disregarding productivity and competitiveness considerations will lead to higher prices, less

employment and greater anxiety. Inflation can wipe out companies' pay efforts and adversely affect work attractiveness. Hence the importance of not fuelling it

The second aspect of work attractiveness that I would like to discuss is security. All too often, this concept is restricted to "job security" and protection against dismissals for those working full-time in the context of an open-ended employment contract.

Today, employment forms are extremely diverse. Ever fewer workers have the same job throughout their life. A recent Eurobarometer survey (2006) shows that a large majority of European citizens acknowledge this changed reality. In fact, 76% recognise that a job for life with the same employer is a thing of the past.

This evolution does not necessarily mean insecurity. Workers in Denmark, for example, are among those in the EU with the highest level of security despite the fact that the cost of hiring and firing is relatively low and people change jobs frequently. In France, by contrast, the subjective feeling of job insecurity is strong notwithstanding a high level of employment protection legislation and limited job mobility.

In other words, security in today's labour market is not so much a matter of preserving a job but about making sure that workers are empowered to grasp new employment opportunities throughout their working lives. We therefore need a shift in our employment and social policies, focusing on employment security rather than job security. In essence, this is what the flexicurity approach is about.

BUSINESSEUROPE strongly believes that flexicurity policies provide the right framework to modernise European labour markets because they allow creation of a virtuous circle between flexibility and security. The experience of countries such as the Netherlands or Denmark show that flexicurity makes it possible to have both more inclusive labour markets and strong productivity or, in other words, to combine both quantity and quality in employment.

Flexicurity also implies having access to a wide variety of contractual arrangements. Part-time, fixed-term, agency work, etc. in order to enable employers to adapt to changes in demand. These flexible work forms are also responding to workers' needs. They can constitute a stepping stone into the labour market for outsiders. For insiders, such contracts make it possible to reconcile work and family life or other personal choices.

Unfortunately, in some countries policy-makers still consider these flexible forms of employment as synonymous with precariousness. But this perception does not correspond to reality. Look for example at part-time work. While it is true that part-time work has risen over the years across the EU, one should bear in mind that 70% of those who work part-time have chosen this form of work voluntarily. The large majority among these have contracts of indefinite duration. Practically all of them are covered by statutory social security systems. Moreover, part-time workers (and also those with fixed-term contracts) are protected against discrimination by the directives implementing the agreements of the European social partners. Taking a negative attitude towards flexible forms of work is not justified.

The third issue I want to address is skills development. Being able to acquire new skills is a key element of job satisfaction, especially in a context where job content evolves in the light of constant and rapid market changes. Workers will need a broad range of skills to maximise their career prospects in the future. However, the continuous development of skills is not only important from the point of view of the individual worker. It is also essential for the innovative capacities and competitiveness of companies and for society at large.

Public authorities, social partners, companies and individual workers therefore have a joint responsibility to develop and invest in lifelong learning strategies. The rapid ageing of Europe's workforce makes this all the more important.

Already in 2002, the European social partners agreed on a framework of actions on the lifelong development of competencies and qualifications. Our aim was to identify an approach to encourage both companies and workers to invest time and efforts to develop skills which truly correspond to labour market needs. We identified four priorities for action: the identification and anticipation of competencies and qualifications needed; the recognition and validation of competencies and qualifications; informing, supporting and providing guidance; and mobilising resources. These priorities for action and the practical tools identified in our framework of action remain valid today.

The fourth issue that I would like to touch upon is work-life balance. The balance between working and non-working life is indeed often pinpointed as one of the key elements determining workers' satisfaction. It will be discussed in more detail later this morning. Again, I would like to refer to research findings of the Dublin Foundation. These show that in 2007, over 80% of workers in the EU as a whole are satisfied about their work-life balance.

In the current context of insufficient labour market participation of women and of demographic ageing, we need to encourage everybody to become or remain professionally active. Allowing women and men to combine professional and family responsibilities is certainly a key element to tackle this challenge.

Over and above what public authorities can do, social partners have without doubt an important role to play in allowing men and women to balance their work and family life. The European social partners have done a lot of work on the issue of reconciliation and tackled it from different angles.

In 1996, we negotiated a framework agreement on parental leave. We have promoted flexible forms of work through the framework agreements on part-time work in 1997 and telework in 2002. We have adopted a framework of actions on gender equality in 2005. And, a few weeks ago, we have started negotiations with the trade unions on a revision of the directive implementing our parental leave agreement.

Leave arrangements form an important part of the arsenal for work-life balance. But they are only part of a wider mix of policy measures. I will not repeat what I have already said about the importance of flexible work options to improve the work-life

balance. But I would like to highlight another key tool: the availability of care facilities. Efforts need to be made by public authorities to improve the offer of childcare facilities in many European countries. So, as you see, actions across a broad range of policy domains and at various levels are needed to promote a good work-life balance for workers in Europe.

Let me now conclude.

The topic of work attractiveness is an important one. It is a permanent concern for companies. A constant pursuit of quality improvements is necessary for their efficiency and competitiveness. In my intervention, I have only touched upon some of the issues that you have debated yesterday and will discuss later this morning.

Europe needs to be competitive in knowledge intensive production. It cannot compete with low wage countries on low added value products. The present economic difficulties must not make us forget about this basic truth. The opportunity given by this conference to exchange views on work attractiveness is extremely valuable. I hope it will be fruitful for our future actions on the ground.

I wish you interesting and thought-provoking discussions.

Thank you for your attention.
