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## EMPLOYMENT IN EUROPE 2008 CONFERENCE

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#### General comments

- European companies have created millions of jobs in 2007, resulting in a total net increase of 3.5 million people in employment in 2007. One of the contributing factors to strong employment growth was the effect of structural reforms recently implemented in some Member States. Against the background of the financial and economic crisis, implementation of agreed structural reforms must continue. This remains the most pertinent reaction to boost the EU's resilience and to allow companies as well as workers to seize opportunities that will arise once the peak of the crisis has passed. Structural reforms should not only be made in labour markets but also in services and product markets.
- The key objective for the EU is to simultaneously increase both its employment rate and its labour productivity. The implementation of the flexicurity approach is crucial to this end. It will allow to improve the skills and adaptability of our workforce which is a prerequisite to improve Europe's economic and employment performance.

#### Specific comments

In this respect, the main findings coming out of the Employment in Europe report from a business perspective are:

##### - On immigration

Immigration from third countries makes an important contribution to economic growth and employment: recent immigration has helped to alleviate labour and skills shortages and has contributed to greater labour market flexibility. We therefore need more immigration, in particular from skilled workers. So far, Europe is attracting mainly low-skilled workers. While there is certainly a need for low-skilled workers in some Member States, Europe's main priority should first and foremost be to attract more highly-skilled workers.



- **On Education and employment**

In addition to the objective of increasing the overall skill level of the labour force, it is imperative to address the existing mismatch between workers' competences and the requirement of companies. Efficient allocation of labour will become ever more important as the size of Europe's working-age populations will shrink by 50 million people over the next few decades. The "New Skills for new jobs" initiative can play an important role in better matching labour supply and demand. According to BUSINESSEUROPE, the "New skills for new jobs" must be integrated in the wider flexicurity approach. The latter is based on the assumption that the modern labour markets should not be based on a "job security" paradigm but, instead, on employment security. Achieving this implies a well-educated workforce that can easily make transitions on the labour market which is precisely what "New skills for new jobs" is about.

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