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BEPA WORKSHOP ON EUROPE AND SOCIAL INNOVATION 20 JANUARY 2009 AT 09:00 HOURS

SESSION 4: THE ROLE OF CIVIL SOCIETY AND INSTITUTIONAL ACTORS

SPEAKING NOTES FOR THÉRÈSE DE LIEDEKERKE, MANAGING DIRECTOR OF BUSINESSEUROPE

The theme of this workshop is *Europe and Social Innovation* and looks at ways to develop the social innovation dimension of the New Social Agenda for Europe.

Yesterday's session dealt with European challenges, social innovation as well as case studies from social entrepreneurs and innovators. Today the focus is on the role of civil society and institutional actors.

The background note that was circulated before the meeting indicated that our social systems were developed in very different demographic, economic, social, technological and even ecological circumstances. It rightly concluded that social innovation is vital to embrace the new challenges we face and answer new economic and social needs. It also pleaded for cutting across boundaries when discussing social policy.

The first point I would like to make is that this "decompartmentalisation" is essential and would be a real innovation.

Two examples to illustrate what I have in mind:

Economic and financial crisis: The world is currently facing an economic and financial crisis and a global economic slowdown. As a result of the crisis, growth forecast for 2009 are gloomy. Industrial production and confidence is at its lowest since 1985. Companies do not have access to finance under reasonable conditions. Investment and employment are expected to contract this year. After several years of steep decline, unemployment is rising at the fastest pace since 1993. After an annual increase in EU employment by more than 1.5 million in 2008, the current consensus forecasts expect for 2009 and increase in the number of unemployed close to 2.5%.

The causes of this situation lie in the malfunctioning on financial markets. Addressing this through rescue programmes for banks and broad economic recovery plans is not a "gift" to companies. The protection of citizens' savings and fight against unemployment it entails is also a social measure.

Even if we were not going through this unprecedented crisis, we still have other important reasons to modernise our social policies.



Climate change: In December 2008, the EU adopted an ambitious energy and climate change package. It will have profound implications for our economies and societies. Yet, very little is known about the employment impact of climate change itself and of the policies to fight it. If we want to fulfil the ambitious goals Europe has set itself, we need to find ways of addressing the skills gap that those companies which are investing in sustainable production are already experiencing today. We also need to devise strategies to mitigate the negative impact our environmental protection efforts can have on employment. The best way to do that is to integrate this aspect from the outset when devising the technical details of climate and environmental policy proposals. Furthermore, at EU level we must also reflect on how to help Member States which depend more heavily on energy-intensive activities adapt.

There is a second idea I found important for today's debate that I would like to share with you. To allow social innovation to happen you need to give room to invent and test new solutions. In other words, you need some flexibility. Here, the flexicurity approach which has been put at the heart of the new EU social agenda is an asset.

A feature of flexicurity is that it reconciles economic and social goals and restores a positive link between competitiveness and social protection. It is about facilitating the creation of new jobs and accompanying companies and workers in their efforts to adapt to market changes. In other words, it is designed to facilitate innovation.

Let me now turn to the role of social partners and make three remarks.

- BUSINESSEUROPE is convinced that social partners are well placed to develop solutions that are best attuned with the changing realities of the world of work. Furthermore, the fact that agreements between social partners are regularly reviewed and renegotiated means that they have an inbuilt mechanism for innovation.
- When social partners agree on framework conditions that will govern behaviours at workplace level, it is important that they do not introduce unnecessary rigidities that will prevent innovation on the ground.
- The EU social dialogue which is still relatively young and remains the only experience of transnational social dialogue in the world was a daring innovation when it started and has demonstrated a remarkable capacity to innovate by addressing new subjects and devising new tools throughout the years. I would even argue that it is constantly re-inventing itself and I am convinced that it will continue to do so in the future.

To conclude and in the light of comments made by various participants in the debate, I would like to simply recall that no one can claim exclusive ownership of social innovation. Trying to draw lessons from various experiments to see if they can be embraced by others is perfectly legitimate but aspiring to a codification of social innovation would be a big mistake (and a contradiction in terms).

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