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“RECONCILING THE NEEDS OF WORKERS, FAMILIES AND EMPLOYERS, IN THE 21ST CENTURY: WHERE NEXT FOR THE EU2020 AGENDA?”

PANEL ORGANISED BY THE EUROPEAN POLICY CENTRE

**Scotland House Europa, Rond-Point Schuman 6, B-1040 Brussels
13 April 2010, 15.00**

ADDRESS BY JØRGEN RØNNEST, CHAIRMAN OF BUSINESSEUROPE SOCIAL AFFAIRS COMMITTEE

- *How can we integrate a stronger social dimension in the EU2020 strategy?*
- *How can the EU promote equal opportunities for career and work-life balance for working parents?*
- *How can the modern workplace capitalise on the full talents of a diverse workforce including parents, disabled workers, older workers and carers?*
- *Has the current crisis led to new forms of flexible working arrangements that would be worth preserving in the longer run to meet the changing needs of families, workers, and employers?*

Thank you for inviting BUSINESSEUROPE to participate in this debate.

EU2020

On EU2020, first of all we fully endorse the need to increase labour market participation rates, as well as the focus on inclusion and education and training. What could be emphasised more, from our perspective, is the much needed focus on growth and labour market reforms based on flexicurity principles.

We also hope that a EU2020 strategy will generate a sense of urgency in the Member States. To reach 75% employment participation across the EU, we firstly need an increase in economic growth. We estimate that by raising growth from 1 to 2%, 6.5m jobs will be created.

To face Europe's current challenges, we need policies that facilitate change rather than prevent it. This is the starting point.



It also means giving priority to equipping people with skills that companies need. A high level of employability is the best protection you can have in today's world. It also means realising the participation of all people in the labour market through skills, mobility and addressing the social dimension of the single market. In this sense, flexicurity is the right framework for labour market reforms at national level both during and after the crisis.

CRISIS

European companies have done their best to maintain employment where possible during the crisis. In many cases, governments and workers have been of good support. The reasons were that companies wanted to avoid losing their workers in which they had invested and having to compete after the downturn for skilled workers.

Short-time working arrangements in particular have been useful to save jobs. However, these can only be temporary solutions. The important aspect to focus on is that where it has been possible to implement such measures, it shows that the system is able to find ways to adapt to sometimes unexpected circumstances. And it shows that it is able to do so in a way that can be beneficial to both companies and employees. This is one of the foundations of the flexicurity approach.

LONGER-TERM STRUCTURAL CHALLENGES

In the longer-term context of increasing women's labour market participation and of demographic ageing, we need more women to become or remain professionally active. The skills women bring to the labour market are and will increasingly be a key resource where there is a great deal of untapped potential that remains.

Companies are increasingly aware that more gender-balanced management structures tend to produce better results. Mixed compositions of decision-making personnel often display a greater array of skills as well as better problem solving, team building, innovation, creativity and communication processes.

Many companies are setting strategic objectives and targets to achieve a better gender balance. While such structures cannot and should not be artificially prescribed to all contexts, greater awareness should be spread and this is where the EU can play a role.

MIX OF POLICY ISSUES

Striking the right balance in the mix of policy measures to promote reconciliation varies greatly between Member States. Nevertheless, to have a positive impact on labour market segmentation, this necessitates an improvement of the availability of care facilities, the take up of leave arrangements, and the promotion of flexible forms of work. A mix of mutually reinforcing policy measures is needed to make full use of female talent and to tackle the obstacles that make it difficult to combine work with having children.



1. The supply of **quality childcare facilities** plays a crucial role and enables an increasing number of women to enter the labour market and to work full time (e.g. high female employment rates in Nordic countries; low in Spain). Allowing women to return on the labour market after having given birth is instrumental in the fight against labour market segregation and the gender pay gap.

2. A lot remains to be done to fight **gender stereotypes and the segregation of labour markets**. Education initiatives must be taken from an early age to encourage girls and boys to take unbiased decisions regarding their studies and career choices, as well as the way they will share family responsibilities (e.g. in Germany, companies organise regularly “girl days” to raise awareness about engineering / scientific careers).

3. **Flexible work options** that meet the needs of both enterprises and employees are crucial and are often best identified at company-level. According to EUROFOUND’s 2009 European Company Survey, over 60% of employee representatives indicate that they are directly involved in setting rules and procedures on variable working time options. This shows that companies are open to finding innovative solutions in Collective Agreements.

For employees, flexible working arrangements make it easier to seize career opportunities and cope with family responsibilities. Flexible working hours, part-time jobs or teleworking enable the employee to fit their work schedule better with their lifestyles or needs such as the availability at child care facilities.

Over 80% of EU employees report to be happy or very happy with their work-life balance¹. The benefits are not only for individuals but also in the overall development of gender equality in society. Flexible working should therefore be recognised at EU-level as an important ingredient in increasing women’s labour market participation.

Policies need to reflect the increased demand for flexibility. Reconciling work-life balance and organisational needs for flexibility is the kind of equation that *does* add up in real life, as long as tailor-made solutions are made possible at company-level. Flexible working arrangements come in many different forms and companies should have the freedom to put in place the instruments that are most appropriate for them.

4. A huge **diversity of leave arrangements** exist in Member States: maternity, parental, paternity, adoption, for urgent family reasons or to care for a dependent family member.

The FEMM Committee of the European Parliament is proposing far-reaching changes in EU legislation on maternity leave, now also adding paternity leave. We are quite alarmed at these proposals, for the following main reasons:

- It would lead to considerable additional costs for companies and public finances *in many countries*, which we now more than ever need to avoid (2.5 bn in UK, 700m in Germany, annually);

¹ European Working Conditions Observatory, 2005, Fourth European Working Conditions Survey



- It will add to further strain on health insurance / social security systems;
- In some countries, certain types of leaves are more extensive than others, and the combination of possibilities for leaves complement one another.

For us, this goes too far. We must not fall into the trap of thinking that granting more leaves could be a panacea for the lack of care supply. It would be detrimental to the goals of rising employment rates and of reaching financial sustainability of social security schemes.

WORK OF EUROPEAN SOCIAL PARTNERS

European social partners themselves play an important role. I want to draw your attention to our recent agreement on Inclusive Labour Markets, concluded in March. It shows that social partners can find balanced solutions to make flexicurity work in practice and achieve inclusive growth. In this agreement, we propose measures to stimulate the participation of underrepresented groups on the labour market.

In 2009 we also revised our framework agreement on parental leave, now transposed into a European Directive, and presented the evaluation report of our joint Framework of Actions on Gender Equality that started in 2005.

We also presented in 2008 a joint progress report on reconciliation, addressing the need to reduce barriers for women to evolve on the labour market, notably through implementation of the Barcelona targets on childcare.

And finally we also concluded agreements to promote flexible forms of work that can facilitate reconciliation (agreements on telework (2002) and part-time work (1997)).

Through the use of a variety of instruments at their disposal the social partners have been active in addressing problems related to work-life balance.

Although the EU-level plays an important role, as I have illustrated, I must stress that it is up to Member States to find appropriate solutions tailored to their specific circumstances. In terms of future actions, a one-size-fits-all regulatory approach from the EU level will not provide an adequate response to the challenge of reconciliation.

The concrete actions needed have to be taken: at national, sectoral, regional and/or company levels within Member States. The focus of these actions may differ from country to country. For example in some countries, more effort might be necessary to expand the availability of child care facilities whereas in others, priority might be given to alleviating constraints on the use of flexible forms of work.

At EU-level we now have around 70 directives on social issues, establishing EU-wide minimum standards on many topics such as health and safety, equal opportunities, or information and consultation of workers. In comparison with our international counterparts, we stand out as regulatory champions. What we need is better regulation, providing reliable and flexible rules.



CONCLUDING REMARKS

The debate of work-life balance is not new. But recent initiatives from the social partners as well as from public authorities on family policies, flexicurity etc. give a new impetus to our discussions. In this sense, the opportunity given to us by this event to exchange views and practices is both timely and, I hope, fruitful for our future actions.