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QUALITY OF WORK AND EMPLOYMENT AS A POLITICAL PRIORITY

ADDRESS BY STEVEN D'HAESELEER SOCIAL AFFAIRS DIRECTOR, BUSINESSEUROPE

- Thank you for inviting me to be here today. First of all, I would like to stress that “Quality in employment” is an integral part of companies’ policies and that “quality” has been at the heart of companies’ daily life for many years. A constant pursuit of quality improvements is necessary for their efficiency and competitiveness.
- With the Europe2020 strategy, the EU defined a strategy for smart, sustainable and inclusive growth. It decided to improve educational attainment levels, reduce poverty and increase employment rates to 75%. Increasing the employment of older workers in particular will be crucial to achieve this target. The European Union is building upon the Lisbon Strategy by opting for both quantity and quality in employment.
- BUSINESSEUROPE supports the Europe2020 strategy. From the outset, however, we have insisted that growth and jobs should be at the heart of Europe2020. Together with the ETUC, we have adopted a joint declaration in which we call for an increase in the EU growth rate to an average of at least 2%.
- Last Monday, BUSINESSEUROPE presented its “Economic Outlook”. The figures show that recovery has been stronger than previously expected. We have revised our EU GDP growth forecast to 1.8% and 1.7% for 2010 and 2011 respectively. Our Members expect unemployment to be reduced slightly in 2011, to 9.5% for the EU, and 10% for the Euro area respectively, implying that more than 600,000 new jobs will be created next year.
- This is still far away from pre-crisis unemployment levels. The priority should therefore be to put in place the policies that boost labour creation and reduce unemployment. This should now be the political priority number one in the field of employment and social affairs. Everything else should be subordinate to it.



On the elements of quality in employment critical to encourage and facilitate working longer

- Various elements have an impact on working longer: the broader framework conditions that enable companies to hire and retain older workers, working time, skills, the type of job one has etc.
- The EU and member states should ensure that the legislative framework and labour costs do not hinder companies in recruiting and employing older workers. As highlighted by the OECD, finding a match between the costs of employing older workers and their productivity is important.
- Having the right and updated skills is obviously a key determinant for any worker's chances on the labour market. Continuous training is even more important if we want people to work longer. Here, the results from the European Working Conditions Survey are encouraging. In 2010, training is provided to more workers than at any time since the start of the survey. On-the-job training also became more prevalent. The trend is encouraging for older workers too. 30% of those aged over 50 years receiving training paid for by their employer in 2010 (compared to 36% for those aged 30-49). The proportion of older workers receiving training rising by seven percentage points since 2005. The increase is four percentage points for the younger group. So the gap is narrowing. At the same time, workers themselves are also investing more in the development of their career.
- These are encouraging trends. The issue in fact is one of collective responsibility to improve the employability of our workforce. A high level of employability is the best protection you can have in today's world.

On how to move forward

- The main priority should be to put in place the policies that allow companies to create jobs and people to remain in employment. Flexibility is a vital factor here. Not only because the more flexible labour markets are, the quicker companies are to hire. This is key when economies are starting to pick up such as now.
- But also because flexible retirement schemes have proved beneficial in some member states in encouraging workers to remain on the labour market. In other member states, part-time work has been useful in allowing a gradual transition from work to retirement.
- So flexibility on our labour markets is important and needs to be improved. The findings of the European Working Conditions Survey remind us about an important point. First, they show that we have not seen this surge in flexibility proclaimed by some. Secondly, they also show that overall working conditions in Europe are good and that, by and large, flexibility does not come at the expense of quality of work and employment. Why? Because it is a priority for employers. Only last week, BUSINESSEUROPE's member federation CBI has launched a new award programme to recognise those organisations that have successfully adapted to



change while maintaining high-quality employee relations. A wealth of facts and figures proves this also at the macro-level, including some of the survey results:

- Work satisfaction is high and 80% of workers are satisfied or very satisfied with their work-life balance;
 - Fewer workers feel their health and safety is at risk because of their work;
 - “Standard” working hours remain the norm: almost 70% work the same number of hours per week and almost 60% work the same number of hours per day;
 - 80% of workers still have an open-ended contract.
- Of course, there are situations where reconciling economic and social needs is more challenging. Most of the time, however, workable, tailor-made solutions are found which are mutually satisfactory. Social dialogue naturally plays an important role.

On the role of the European Union

- This is related to another important point: Measures aimed at longer working lives must be tailored to the specific national, sectoral or company context.
- More generally, it is of fundamental importance that the EU, in particular the European Commission, says more clearly what the main obstacles are at the level of the Member States and more firmly encourages their removal. Rather than re-opening a debate on an approach to improve quality of work in its upcoming Communication on New Skills and Jobs, BUSINESSEUROPE believes it is important now to fully implement the Europe2020 strategy. How to find a job is the main preoccupation of Europe’s 23 million unemployed. It should also be the number one priority for policy-makers.

On the role of employers’ organisations and social partners

- Europeans consider unemployment the most important issue that their country faces. Employers too share the priority for growth and want to create jobs. BUSINESSEUROPE does its utmost to ensure that the European Union adopts policies that support the competitiveness of European companies and help creating jobs.
- We are engaged in a constructive social dialogue with the European trade unions. The real social dialogue, also on the issue of longer working lives, is at the national or sectoral level. But in the past, we have worked on various issues that touch directly on the issue at stake today. For example our Framework of Actions on Lifelong learning. Our more recently, our revised agreement on parental leave to improve reconciliation and our Framework Agreement on Inclusive Labour Markets. More generally, we can and we should further discuss and agree on how we can improve the competitiveness of our economies, on how to implement the flexicurity principles in the labour markets etc.



- BUSINESSEUROPE is obviously also helping to increase awareness about the need for longer working lives; from the European to the national, sectoral or company level. But also in the other direction, we explain the practical impediments or positive incentives that impact on working longer or show what companies are already doing. Indeed, many companies have already voluntarily introduced specific working arrangements to deal with demographic change.

Conclusion

- The quality of work and employment in Europe is high. Europe also has the world's highest standards of labour protection. Nobody can dispute this. Member States' labour markets and welfare systems have proved effective to cushion the employment impact of the crisis.
- However, Europe's current challenges are of a different nature and scale compared with the situation before the crisis and certainly compared with ten or twenty years ago. Europe's population is ageing, our workforces shrinking and the sustainability of our pension systems is at risk. International competition has increased. Compared to Europe, the BRIC countries have emerged stronger out of the crisis. Their economic clout is growing, spurred on also by a highly motivated, flexible and increasingly skilled workforce.
- So we must modernise our labour markets and social systems if we are to safeguard them. Coming back to the point I made in my introduction, only then will we be able to achieve smart, sustainable and inclusive growth. Rather than re-opening a debate on an approach to improve quality of work, BUSINESSEUROPE believes it important to fully implement the Europe2020 strategy.

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