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PLUS D'EMPLOIS ET DE MEILLEURE QUALITÉ

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Ladies and gentlemen,

I am pleased to be here today to discuss the role of social dialogue in implementing the Europe 2020 strategy.

The Europe 2020 strategy

- With the Europe2020 strategy, the EU defined a strategy for smart, sustainable and inclusive growth. It decided to increase employment rates to 75%, improve educational attainment levels and reduce poverty. These decisions mean that the European Union is building upon the Lisbon Strategy by opting for both quantity and quality in employment.
- Compared to the Lisbon strategy, however, the EU institutions have committed to monitor more rigorously and continuously the progress made by Member States in implementing the policies that are needed to achieve these objectives.
- BUSINESSEUROPE supports the Europe202 strategy. From the outset, we have insisted that growth and jobs should be at the heart of Europe2020. We want a doubling of the EU's growth potential. Going from 1% to 2% economic growth could create 6.5 million new jobs by 2014. Together with the ETUC, we have adopted a joint declaration on Europe2020 in which we call for an increase in the EU growth rate to an average of at least 2%. A significantly higher growth rate is the precondition to create jobs and achieve the objectives of Europe2020.



- 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. Europe2020 should prepare the EU to effectively address these challenges. The global workforce has doubled and international competition has increased. EU Member States are under pressure to reduce deficits and public debt. 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. Europe's population is ageing, our workforces shrinking and the sustainability of our pension systems is at risk. There will be no automatic return to growth with a shrinking workforce. Without any doubt, the ageing of our population is a major challenge. Not only from a fiscal point of view in terms of consequences for pension systems. Also from an employment point of view, in terms of having a sufficient supply of workers.
- With respect to employment, the key short-term challenge is to put in place policies that maximise the job-content of economic recovery. Our Economic Outlook suggests that European companies will create one million jobs in 2011. At the same time, the efficiency of our labour markets in the long-run must be increased. Policies must be designed in such a way that they help workers and companies to adjust to competition and change.
- The employment and social dimension of the Europe 2020 strategy is closely linked to the EU agenda on flexicurity. But most of the policies that are needed should be put in place at national level. Indeed, in order to be effective, employment and social policies should be suited to the specific situations and systems that prevail in each Member State.

Role of social partners at national level

- Given the importance of the national level in shaping employment/flexicurity strategies, social partners have first and foremost a role to play at that level.
- In identifying the policies that are best suited to achieve the national targets identified as part of Europe2020. In implementing these policies at the workplace. And in monitoring the progress made in order to assess regularly whether adaptations are needed.
- National social partner involvement in the Lisbon Strategy was insufficient in many Member States. We very much regret this and hope it will be better with the Europe2020 Strategy.
- Governments need to associate social partners closely to the development, implementation and monitoring of national employment and social policies if they want to achieve results. This naturally also applies to much-needed structural reforms.



- Nobody can dispute the fact that structural reforms are urgently needed. Denying this is irresponsible. Growth and jobs will only return if underlying causes of the lack of competitiveness of our economies are addressed. A lot of European countries have homework to do in this respect.
- Unfortunately, the first feedback from our members seems to confirm the European Commission's assessment that in several countries, National Reform Programmes drawn up as part of the European Semester are either not ambitious enough or not concrete enough. As a result, on the basis of current forecasts, the EU will not meet its 75% employment rate target.
- BUSINESSEUROPE is strongly concerned about this lack of ambition and sense of urgency. We simply cannot afford another lost decade. Clearly, social partners have a critical role to play in this respect. Social dialogue and constructive industrial relations are a key factor for success. This is why we must show a sense of collective responsibility, including at the European level.

Role of social partners at European level

- At European level, European social partners have at least two important roles to play. First, they contribute to EU policy making on employment and social affairs. The main aim of the social dialogue should be to facilitate economic and social change across Europe. The European social dialogue should seek to facilitate implementation of the Europe2020 strategy. We have just finalised a project in which we examined the implementation of flexicurity in the EU Member States. We are currently implementing our agreement on inclusive labour markets as a direct contribution to the strategy's objective of inclusive growth.
- In addition, the upcoming discussion on the future social dialogue work programme will be the right time to consider what kind of further action social partners could take. BUSINESSEUROPE is strongly committed to a partnership for change aimed at promoting growth, competitiveness and employment in Europe.
- Second, European social partners can participate in the Europe 2020 monitoring process. In the past, BUSINESSEUROPE has conducted its own assessment of the Lisbon strategy's implementation at national level based on feedback from our members. Together with ETUC, we have also assessed the implementation of the Employment Guidelines. European social partners could still play a role to channel the views of their members on national employment and social policies to the European Commission as part of the European semester process. Doing so will contribute to the quality and thoroughness of the monitoring and assessment process which is absolutely key.
- European social partners will also need to reflect in the next months about current institutional, economic and social developments. Our capacity to bring a useful contribution jointly will very much depend on the possibility to engage in a constructive debate with trade unions on structural reforms.



- To conclude, in the aftermath of the crisis and faced with a stronger role of the European Union in economic governance, we need to assess whether employers and unions are able to come forward with balanced and constructive messages on how to tackle unemployment and boost growth. BUSINESSEUROPE certainly hopes so. We have no doubt about our common agenda today. If we want to sustain our way of life, we have no choice but to strengthen the competitiveness of European companies in order to create more and better jobs. We are ready to engage in the next months in a responsible dialogue with ETUC.

Thank you for your attention.
