

27 November 2012

## **EUROPEAN EMPLOYMENT FORUM**

**27 NOVEMBER 2012**

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### **Introduction**

- The EU is facing what is widely considered to be its worst crisis since the founding of the Union;
- As a consequence of the crisis, employment and social challenges have become more acute, as is emphasised by the fact that there are currently over 25 million unemployment people in the EU, including 5.5 million young;
- The continual and rapid pace of events at international and European level mean that it will be a while yet before the dust settles on the initiatives that have been taken, and which continue to be proposed, to return Europe to a path of economic stability, growth and prosperity;
- The role of the social partners is key as discussions about labour market reforms and job creation, particularly for young people, dominate the European and national agendas;
- As recognized in the 2012-2014 work programme, these exceptional circumstances put European social partners to a test. *"Our success will be measured in our capacity to put forward solutions to contribute to growth, employment and social cohesion"*.

### **Work programme 2012-2014**

- The fourth autonomous work programme of the EU social partners (2012-14) sets a clear priority on employment and in particular youth employment.
- Our key focus is job creation.
- In the employment package of April 2012, the Commission identified 3 key sectors which have the potential to create jobs; health and social care, the green economy, and ICT. BUSINESSSEUROPE has doubts as to the extent to which these sectors, particularly health and social care and the green economy, are the right ones to be focusing on from the perspective of key sectors that will



improve the EU's global competitiveness and will therefore create jobs and stimulate economic growth.

- By contrast, we believe that the Commission should focus more on creating the conditions for employment creation in the manufacturing sector. Between 2008 and 2012 employment rate, notably in the manufacturing sector, has seen a -10.6% change in the EU-27. In construction and industry, 6.8 million jobs were lost during this period.
- The EU is faring worse when compared with the US, which is posting stronger job creation rates. For example, the US created 753,000 jobs in the private sector during the third quarter of 2011 - the largest net job gain since the first quarter of 2006.
- The manufacturing sector can play an important role in revitalising Europe's industrial base, bringing competitiveness and job creation in all sectors of the economy.
- **For that, Europe's industrial and employment policies need to converge in improving labour competitiveness to foster job creation in the manufacturing sector. Unfortunately, this is missing in the employment package recently published by the Commission.**

### **Main challenges ahead**

#### Flexicurity

- National labour market reforms are the primary instrument through which labour can become more competitive and growth and job creation can be enhanced. A system of flexicurity that promotes a new balance leading to more employment security through flexible arrangements on labour markets is a crucial objective for the next years.

#### Mismatch between jobs and skills

- Well-functioning labour markets are characterised by smooth transitions from education to employment, unemployment to employment and between jobs. To facilitate these transitions there needs to be a good match between skills supply and demand and labour market conditions that encourage employers to hire people.

#### Diversity of national structures/cultures

- There is a diversity of national structures/cultures impacting on Member States' labour markets outcomes. EU employment policy needs to provide a coherent framework for national labour market reforms in all Member States without imposing solutions from some Member States that are not well-suited to others.

#### Lack of entrepreneurial mindsets

- Entrepreneurship is a state-of-mind that insufficiently exists in individuals' attitudes towards risk-taking in Europe. Entrepreneurial mindsets should be promoted through entrepreneurship courses in secondary and higher education.

#### **Framework of actions on youth employment**

- We have started the implementation of our work programme with a negotiation of a framework of actions on youth employment. This is a tool based on existing national social partners' actions that we would like to use and promote across Europe to make a difference in young people's access to the labour market.
- We need to take into account the fact that the Commission prepares itself to publish a second stage consultation on a Quality Charter on traineeships. BUSINESSEUROPE, CEEP and UEAPME hope that the announced second-stage consultation will provide a balanced basis allowing for a social partner initiative.
- Let me also mention the issue of apprenticeships. It is a very important topic. BUSINESSEUROPE has published a declaration entitled "creating opportunities for youth". It is our proposal to put in place a comprehensive European strategy on dual learning apprenticeships.
- We welcome the recently announced development of an EU alliance for apprenticeships, which will encourage the sharing of knowledge and ideas and could ultimately help to boost the number of apprenticeship positions available across the Member States.
- Our objective is to conclude the negotiations in time to present the Framework of Actions during the Tripartite Social Summit of 14 March.

#### **Social partner involvement in European economic governance**

- Already prior to the crisis the EU was looking to achieve better economic and labour market policy planning between member states and this has been introduced through the European semester, which seeks to reinforce reform programmes at the national level through better coordination, especially as concerns the Europe 2020 strategy;
- Building on the European semester, a central part of the EU's response to the economic and financial crisis has been to introduce new measures at EU level for economic governance, including, notably the 6-pack of measures, which have the twin aims of reinforcing the stability and growth pact and correcting macro-economic imbalances;



- The Commission's employment package specifically called for the greater involvement of European social partners in the European semester process as well as setting up an EU tripartite format for monitoring and exchanging views on wage developments;
- BUSINESSEUROPE's starting point for our involvement in the governance processes is to use existing structures, namely, the Tripartite Social Summit, Macroeconomic Dialogue, Social Dialogue Committee;
- We don't see a need for an EU tripartite forum on wages and we would rather have such a discussion in a bipartite format;

### **In-depth employment analysis**

- In 2013 the European social partners will conduct an in-depth employment analysis. This analysis is intended to build upon a similar initiative conducted in 2007;
- In view of the perilous situation of the European economy and the negative impact that this is having on employment levels across the EU, an in-depth employment analysis of the state-of-play in European labour markets is crucial for identifying what the barriers are to job creation and how these can be overcome, and why some national labour market policies have been more successful than others;
- Based on a joint assessment of facts and figures, we will make concrete recommendations to Member States and EU institutions and draw conclusions on social partners' own activities.

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