



2 April 2013

ASSESSMENT OF COUNTRY SPECIFIC RECOMMENDATIONS 2012

In the context of assessing progress in the implementation of the labour market related aspects of the 2012 country specific recommendations (CSRs) BUSINESSEUROPE's social affairs committee has endorsed some key messages for the EU level. These messages are based on input from BUSINESSEUROPE's member federations and concern social issues, which includes structural reforms, labour market integration and employability, including vocational education and training.

The key messages are presented below and in annex are the contributions in full as made by BUSINESSEUROPE's members.

Key BUSINESSEUROPE messages

In analysing the comments of the different contributors, there is a broad feeling that more needs to be done to effectively implement the national labour market reforms and for them to have a tangible effect. This concerns the dual need of addressing the specific recommendations for 2012 and employer organisations' wider goals for the reform of their labour markets. BUSINESSEUROPE has adopted the following key messages for the EU level.

1. BUSINESSEUROPE welcomes the recent labour market reforms that have been undertaken in France and Spain. There are also some positive elements to reforms agreed in Italy for improving the apprenticeship system. Reforms that were initiated before the crisis are also now delivering positive responses, such as in Germany. However, labour market reforms on their own do not create employment without being supported by other fundamental reforms that are able to stimulate business activity.
2. The current pace of reforms is not enough to hasten Europe's recovery from the economic crisis and to stimulate employment. Therefore, more needs to be done at European level to encourage reforms, including implementing an EU employment policy that provides a framework for reforms to be undertaken at national level.
3. To help foster competitiveness and productivity a particular focus must be placed on resource-efficient investment in education to provide people with the skills that will meet the demands of the labour market. Taking into account the specific status of each country, the EU may provide financial support for this, such as in the form of seed funding to help establish or strengthen dual-learning apprenticeship systems.
4. Targeted cuts in employers' social security contributions can play an important role in stimulating demand by encouraging employers to hire more staff. The tax burden on labour should also be reduced. It is essential that work is an economically attractive option for low-income earners, compared with welfare beneficiaries. Raising the level at which people start pay to tax on their earnings, such as is being initiated in the UK is a principle that could be promoted at European level to help make people better off by working.

5. Flexible forms of employment should be valued as an important vector of employment growth and a stepping stone for the young. We regret that many Member States did not correctly implement the Temporary Agency Work directive by refraining from reviewing and lifting unjustified restriction on its use. Different forms of contractual arrangements are needed to match variations in demand and absences of staff faced by companies and to allow workers to better reconcile work and family life. It is essential that all contractual arrangements are designed with the primary goal of contributing to job creation. In some countries this requires removing excessive protection of permanent contracts.
6. Against the backdrop of demographic change and a projected fall in the working-age population and in order to ensure the sustainability of Europe's pensions and social benefits systems, retirement age should be linked to life expectancy.

Annex: Member's assessments in full

Confederation of British Industry (CBI) UK

Fostering Competitiveness

- Modest increase in National Minimum Wage in recognition of the importance of controlling labour cost during a period of economic uncertainty. NMW increased from £6.08 to £6.19 for those aged 21 and over. Both youth rates were frozen to help to ensure that young people were not priced out of the labour market.
- The Richard Report has shifted the focus of the debate on apprenticeships towards outcomes, industry standards and direct employer funding. £250m is committed for employers to develop new training programmes which will drive productivity and economic growth; £25m allocated to employers for the specific development of higher level apprenticeship frameworks; and 40,000 grants for SMEs taking on young apprentices which are worth £1,500 each have been set up.

Fostering Employment

- The minimum period for consultation when 100 or more workers are made redundant will be reduced from 90 days to 45 days
- The rules governing employment tribunals have been rewritten to make them easier to understand, but the rules themselves have not changed significantly
- The wage that a worker can earn before becoming liable for income tax has been increased. In 2012-13 the allowance is £8,105 and it has been announced that this will rise to £9,440 in the next financial year (2013-14). Among the justifications for the change the government cited 'making work pay' in comparison to claiming benefits.
- The 'Youth Contract' aims to boost the employment prospects of unemployed 18-24 year olds by providing 160,000 wage incentives worth up to £2,275 each.
- The Universal Credit will replace a range of working-age benefits into a single payment. While this is a positive change as it simplifies the benefits system, progress towards implementation has been somewhat disappointing.

Sustainability of pensions, health care and social benefits

- To encourage workers to save for their retirement, all employers will be required to automatically enrol eligible jobholders onto a company pension scheme. This duty currently applies only to large firms, but will be phased in to apply to small firms too over the next few years.
- The Pensions Bill has not yet been published, but the government is committed to simplification to a single tier state pension, raising the state pension age to 67, and creating an independent body which will assess the need for future changes to the state pension age.
- Between April and the end of September 2013, a cap on benefits that most people aged 16-64 may receive is being implemented. The cap will be £350 per week for a single adult without children, and £500 per week for couples or single adults with children.

Confederation of German Employers (BDA) Germany

Reduction of the high tax wedge

- Labour taxation in Germany is still particularly high. This primarily reflects social security contributions, which are more than double the OECD average in terms of gross wage earnings. Although, pension insurance contributions have been reduced starting January 1, 2013, total social insurance contributions add up to 39.5 per cent. Therefore, high non-wage labour costs

remain a major disincentive for employment, also because they set in at relatively low income levels. Especially statutory non-wage labour costs are too high and constitute a significant competitive disadvantage for the German economy.

Measures to raise the educational achievements of disadvantaged groups

- National and international studies indicate improvements of educational achievements of migrant children. Nevertheless, the close connection between educational success and descent does still exist. The share of school dropouts has been reduced from 8 per cent to 6.5 per cent between 2006 and 2010. Youth unemployment is 12 per cent, well below the OECD average of 16 per cent. Responsible for the positive development are several measures: individual encouragement, innovative and practical classes, fundamental reform of teacher education, full-time classes. Still measures to ensure the quality of schools are often missing and evaluation of schools is in retreat. Another severe problem is the so-called north-south divide in terms of educational quality: Children with poor starting opportunities learn less successful in the city-states in northern Germany compared to the states in southern Germany. Hence, chances for educational achievements are quite different in different parts of Germany.

Maintain appropriate activation and integration measures in particular for long-term unemployed

- Due to OECD figures, the number of people in long-term unemployment in Germany has dropped by more than one million between 2005 and 2011. This is mainly a positive outcome of the Agenda 2010 labour market reforms and the so called “Hartz reforms” that helped to make the German labour market more flexible, improved job search efficiency and increased work incentives for (mainly long-term unemployed and low-qualified) welfare recipients. Although this positive development is very much appreciated by German employers, it is necessary to stress that long-term unemployment especially among low-qualified workers is still by far too high. To continue the positive path of decreasing long-term unemployment, the employment potential also of flexible forms of employment (e. g. agency work, part-time work and temporary work) needs to be fully utilized instead of re-regulating these forms of employment often defamed as “atypical”. In addition, the performance of the so called “Jobcenters” responsible for the guidance and job placement of jobseekers receiving welfare payments and labour market policy measures addressing long-term unemployed need to be improved further, especially in terms of early and consistent activation measures and custom-fit measures to improve their qualifications.

Phase out fiscal disincentives for second earners

- The German lawmaker does not pursue this recommendation yet. BDA urges the Government to reform the “splitting” system under which a married couple receives two basic allowances and the tax is calculated by dividing the income equally between the two spouses in the next legislative term. For the spouse with the lower income the current system creates incentives to stay away from work. In addition, free co-insurance of dependents in the statutory health and long-term care insurance and survivors' benefits in the statutory pension insurance also cause a negative incentive for the employment of spouses.

Increase the availability of fulltime childcare facilities and all-day schools

- For many employees with children, especially for women, arranging their job and family duties in order to achieve a balanced work-life-balance is still difficult. This is mainly due to the fact that the availability of fulltime childcare facilities and all-day schools in Germany is still not fulfilling the needs of parents in line with their working-time preferences and needs. BDA has therefore supported the recent initiative of the Federal Government that has raised the federal financial support for the German Länder and municipalities

for their investments in improving the availability of high standard child care facilities. But further steps need to be taken to assure that every parent willing to return to work as early as possible can effectively do so. The demographic change and growing skilled-labour shortages raise the pressure to tap the full labour market potential especially of women. To reach this important aim, companies in Germany have intensified their engagement for flexible, family friendly working hours, support to job returners and also in providing additional child care facilities.

Confederation of Swedish Enterprise (SN) Sweden

Foster competitiveness

- *Review of wage setting practices;* Employers note as a success that the level of agreed wage growth, 2.6 per cent per annum, within the export-oriented industrial sector was accepted as a norm in all other agreements on the Swedish labour market. There was, however, one exception in the agreement for school teachers. It was a common view in Sweden that teachers were in need of an extra raise. The consequences on youth unemployment of the high Swedish minimum wages were in focus of politicians' mind. In some agreements, unions accepted a lower increase of minimum wages than of outgoing wages.
- *Increase productivity through improving education systems – i.e. encourage dual learning through improved apprenticeship systems; encouraging more people to study STEM related subjects;*
Major reforms are in progress in both compulsory school and upper secondary school. The reforms are, in most aspects, relatively good. They aim to make student more job ready and to strengthen the knowledge base in early years. There is growing attention to STEM related subjects in compulsory school, and more effort is put in to support pupils in an early stage. Also VET is under development and we support the improvement of WBL in many different forms. It may be necessary to take action for improving attractiveness for initial VET.

Foster employment

- Labour market reforms to promote flexicurity, i.e. make permanent contracts more attractive, allow for the development of flexible forms of employment including temporary agency work; activation of the unemployed; effectiveness of spending on lifelong learning; encourage mobility;
The legislation intended to implement the Temporary Agency Work Directive in Sweden has entered into force on January 1 2013. However the new legislation, Law on Hiring of Workers, contains no implementation of article 4 in the Directive. The restrictions in laws and collective agreements on the use of temporary working agencies therefore remains after the implementation. The implementation has also introduced changes in the Swedish Posting of Workers Act which will make it significantly more difficult for foreign temporary working agencies to post workers in Sweden. This is due to the fact that the legislative changes will enable the trade unions to take industrial action against foreign temporary work agencies which post workers in Sweden in order to demand conditions which is not restricted to the minimum levels in the Swedish collective agreements.
Sweden has traditionally used active labour market programs to a quite large extent. The effectiveness of the program activities as well as of the Public Employment Service effectiveness has however been much questioned in recent years.
- *Reducing the tax burden on labour to make work pay;* Reduced VAT for restaurants was introduced in 2012. A short term analysis carried out by Statistics Sweden, on behalf of the Swedish hospitality industry (a branch

organisation), indicates an increase of 5800 jobs (full time equivalents) from 2011 to 2012. To what extent this can be explained by tax changes and long term effects are still to be evaluated.

Sustainability of pensions, health care and social benefits

- Aligning the pension system to the national demographic structure; An ongoing State Inquiry commission is expected to propose individual right to stay in their employment to 69 (now 67).
- Limiting early retirement schemes and using targeted incentives to employ older workers;

Confederation of Danish Employers (DA) Denmark

Foster competitiveness

- The Danish Government has as its target for 2020 to increase the labour force in Denmark through reforms in particular of our social security and tax system. The purpose is i.e. to increase our competitiveness.
- With overheating before the financial crisis of the Danish economy and a loss of competitiveness caused by lack of qualified labour Denmark has lost around 10 per cent of the employment in the private sector and employment is now just stable at this much lower level and competitiveness only slowly improving.
- An important reform has been agreed in order to improve our VET system. The purpose is to ensure that the young entering a VET are motivated and get the skills demanded on the labour market and that young people even if they do not obtain an apprenticeship is able to finalize their VET. VET-trained in Denmark is the backbone of Danish Industry playing an important role in Denmark being - at least in the past - an attractive place for production and services.

Foster employment

- There has been an increase not a decrease in the tax burden on employing labour in 2012 by 0,2 pct. of the wage sum. This continues and even increases a trend for the last decade of every year increasing the cost on average by 0,1 per cent.
- It is at the moment being considered within the Government to possibly reduce charges including on the use of labour.
- A reform on our pre retirement pension system and of the special flexi job (reduced working hours with a public subsidy for people who are not able to work full time) has been adopted. The purpose being to reduce the number of persons in pre retirement and flexi job after years with a constant increase in the number of people covered where many could have been on the ordinary labour market. DA estimates that the reforms will only make a very small contribution to reducing the number of people covered.

Sustainability of pensions, health care and social benefits

- In 2011 a reform was agreed on basically moving forward an earlier agreed reform of our preretirement benefit and pension system. This will increase our pension/preretirement age and link it to any increases in life expectancy. The effect is big savings on future public spending and an increase of the labour force.

Pension system

- Since 1 January the Czech pension system covers also II. Pillar. The aim of this step should lift a little bit the pressure on the I. pillar and to make the system more sustainable from the midterm and long-term perspective, what was the main concern of the EC. The Commission recommended CZ also to make the II pillar more attractive for the young people. The employers are a little bit sceptical, but it is too early to make conclusions.
- The Czech concept of pre-retirement has been criticised strongly by the Commission as a tool going against the current trends to avoid early retirements. This was a big misunderstanding and misinterpretation of this project decided and delivered by the social partners. This concept is focused on the specific groups of workers. The possibility to wait for the full pension while using their own savings will enable them to increase their income at any time by temporary or permanent work.
- Employers don't agree with the misinterpretation of pre-retirement scheme made by the Commission. This concept is based on shared financing by the worker (his/her own saving) and employer and doesn't affect the public pension system. The goal of this measure is decisively not to replace standard tools of active labour market policies (e.g. retraining) or renounce them in any way.

Improvement of the accession to the pre-school child facilities

- The Czech family policy is going against any European trends and policies in this area. It is based on long maternity leave leading to a lower participation of the women on the labour market. The MoELSA based its concept on "the possibility of choice" of the families. Under the pressure of the EC to increase the number of the pre-school child facilities and to improve the access to them the CZ has taken some measures, which are focusing on increasing of variety of child care possibilities – a new law about "children's group", an institute of "babysitting" and some incentives for companies to create their own facilities. The Commission says that it will lead to the creation of these devices especially by private entities (practically "a privatisation of child care"). CZ didn't agree with the CSR 3 and as compromise reached replacement of "child facilities" by "child care" possibilities."
- Access of low-and middle-income classes to these services. It has been proposed to extend the tax deductibility of costs according to the Act on Income Tax to other types of childcare, i.e. not only for kindergartens established according to the Schools Act. Thus the costs for establishment and operation of own childcare facilities will be tax deductible, as well as non-cash benefits from employers for childcare provided by other subjects than the employer under the Schools Act, License Trade Act or the Act on Children's Group. The employer will thus participate at costs of the service, making it more affordable for parents.
- Employers don't agree with the CZ approach to family policy. They want to have more women on the labour market. Nevertheless some positive changes have been reached. The companies welcome particularly measure opening possibilities to create their own child care facilities. The pre-school child facilities should be recognized not only as an instrument for reconciliation between private, family and professional life, but rather as a part of an education process.

Strengthening of the Public Employment Services

- Strengthening of public employment services (PES) was one of the main goals of the social reform implemented in 2011. The reform has concentrated the responsibility for employment and social policy into one body.
- The reorganisation of the network of district labour offices and the establishment of the central Labour Office with 14 regional branches and contact points from April 2011 increased the accessibility of individualised services, including active labour market policies, for all job-seekers. From January 2012, the payment of non-insurance benefit was added to the responsibilities of the Labour Office, which has again improved the accessibility of individualised services for job-seekers and other citizens drawing non-insurance social benefits, as they can handle everything at one place.
- The employers had not been convinced about this centralization process of PES arguing with higher administrative cost and burden and low capacity of the labour market institution. The start of the Central Labour Office was not without some problem, but now it seems it running.

Improvement of quality assessment of the higher education and research institutions.

- The Ministry of Education, Youth and Sports is working on the legal amendment to the Higher Education Act. Changes in higher education legislation should create environment for profiling of higher education institutions and thus support quality in their roles in teaching, research and development and other creative activities. The legal amendment will also set transparent rules for funding in order to support profiling, efficiency and strategic management; in addition to that, the way for separation of bodies providing assessment and accreditation is to be paved. The basic principles and measures are now being negotiated with higher education representations.
- The Governmental Research, Development and Innovation Council and its Commission for the Evaluation of Research Results (CER) takes care of a smooth transition between the current state of play and the new methodology of evaluation of research organizations, which shall serve as the outcome of the "Methodology" Individual National Project (INP) financed by Structural Funds. The INP was already launched; negotiations regarding the CER activities shall lead to the effective coordination of both initiatives.
- The employers are involved in the process, but changes are ongoing very slowly.

Confederation of Portuguese Business (CIP) Portugal

Fostering competitiveness

- In 2011, the Portuguese Government requested a bailout to the European Union, the European Central Bank and to the International Monetary Fund.
- On 17 May 2011, the Council adopted Implementing Decision 2011/344/EU to make available to Portugal medium-term financial assistance for a period of three years.
- On the same day, 17 May 2011, the Portuguese government signed with the referred parties a Memorandum of Understanding which, with its successive

supplements, lay down the economic policy conditions on the basis of which the financial assistance is disbursed.

Fostering employment

- Unlike the usual country specific recommendations, the Council Recommendation on the National Reform Programme 2012 of Portugal and delivering a Council opinion on the Stability Programme of Portugal, 2012-2016, of 6 July 2012, recommends, taking into account the above-mentioned context, only one action for Portugal within the period 2012-2013: "Implement the measures as laid down in Implementing Decision 2011/344/EU and further specified in the Memorandum of Understanding of 17 May 2011 and its subsequent supplements."

Sustainability of pensions, health care and social benefits

- The measures, of a wide range nature, stated Memorandum of Understanding and its subsequent supplements are being implemented accordingly with the plan.

Confederation of Spanish Employers (CEOE) Spain

The employment and social related aspects of the 2012 country specific recommendations for Spain are:

- Implement the labour market reforms.
- Implement a youth action plan and improve the labour market relevance of vocational education and training.
- Ensure that the retirement age is rising in line with life expectancy when regulating the sustainability factor.

In general terms, CEOE welcomed these recommendations. They respond to the need to pursue structural reforms in the field of employment and social policies. CEOE also agrees with the revision of the wage setting mechanisms, which was included in the Euro Plus Pact, but not in the country specific recommendations.

Foster competitiveness

- Review of wage setting mechanisms

CEOE is in favour of reviewing the Spanish wage setting mechanism. Wage developments have to be directly linked to the economic pace of the country and to concrete economic factors to be set up at company level, such as productivity. Furthermore, this is one of the ultimate aims of the Second Agreement for Employment and Collective Bargaining 2012, 2013 and 2014, signed by the Spanish social partners (CEOE, from the business side, and UGT and CCOO, from the trade union side) on 25 January 2012. In particular, the Agreement establishes a set of wage criteria based on moderation and progressive "desindexation":

In 2012 and 2013 wage increase should not exceed 0.5% and 0.6% respectively. Nevertheless, if the annual variation of the overall Spanish CPI rate exceeds the ECB target inflation (2%), a salary updating clause equal to that difference may be applied.

In 2014, wage increase should be adjusted to the Spanish economy pace (GDP growth as main criteria) and collective agreements should include wage updating components linked to operational indicators of the company.

From a CEOE perspective, this Agreement represents a major step towards the necessary wage flexibility, so that future adjustments are based in prices and salaries and not in job destruction. Furthermore, this Agreement also includes an

important chapter on internal flexibility, which is key for increasing companies and workers ability to adapt and should be further developed.

Even if wage setting mechanisms are (and should be) a national competence, CEOE is in favour of the idea of analysing and discussing wage trends at European level, at least in the Eurozone. Salaries are a key factor for external and internal competitiveness. The analytical role that could be played by the European Commission in showing the case for wage flexibility has to be born in mind.

- Increase productivity

Spain has observed gains in productivity during the last year mostly due to huge employment contraction. The improvement of the national educational and training system in line with labour market needs, and thus companies' demands, is basic to create more job opportunities. Regarding the 2012 country specific recommendations, one of the most recent developments in this area in Spain is the Royal-Decree Law on the new contract for training and learning whereby the foundations for dual training are established, which was adopted by the Spanish government in November 2012.

This new contractual arrangement was foreseen in the labour market reform approved by the Spanish government in February 2012. Its main features are:

- The minimum length of the contract is one year and the maximum is three years.
- The contract covers young people between 17 and 24 years old.
- The salary should be the same as the salary fixed in the applicable collective agreement. The salary cannot be lower than the legal minimum wage.
- The contract should be full time.
- The time spent at work should be compatible with the time spent in education and it should be up to 75% of normal working time during the first year and up to 85% the two following years.
- There are several ways for developing the training and learning activities, including the direct participation of companies.

CEOE deems that the fact that the young people in training are considered as a regular worker could prevent companies from hiring them because of the costs and the uncertainty of the return of the investment. The aim of training contracts should be to act as a primary entry into the labour market.

Foster employment

- The Spanish labour market reform

In February 2012 a Royal Decree-Law on urgent measures to reform the labour market reform came into force, which became the Law 3/2012 on 6 July 2012 after its parliamentary approval. In CEOE opinion the main elements of this reform go in the right direction:

- Fair dismissal (compensation of 20 days per year of service) as the main channel to end the labour relationship, through among other issues the reduction of firing costs (unfair dismissal) to address labour market segmentation and encourage employment creation.
- Enhance job intermediation, training and lifelong learning.
- Improve internal flexibility and collective bargaining.
- Encourage permanent contracts through a new open-ended contract for SME with up to 50 employees and new bonuses for SME.

However, CEOE estimates that more has to be done in terms of:

- Internal flexibility according to the above mentioned Second Agreement for Employment and Collective Bargaining 2012, 2013 and 2014.
- Flexibilization of some contractual arrangements, mostly part-time contracts, training contracts and temporary contracts.
- Extension of the scope of the new open-ended contract for SME for all kind of companies.
- Avoid an expansion of the “culture of litigation” in the field of collective dismissal procedures which undermine its effectiveness.
- Promote employment by reducing labour cost, for example by diminishing employers’ contributions at least in a temporary way.

It is early to assess the results of the Spanish labour reform, since they will be shown in the medium and long term. Two substantial elements must be taken into account:

- a) A wide labour market reform in itself does not create employment, if it is not backed up by other fundamental market reforms able to stimulate business activity and thus economic growth both at national and European level.
- b) An in-depth labour market reform lays down the necessary basis for a solid and sustainable employment recovery.

- Youth: Spanish Strategy for entrepreneurship and youth employment

On 22nd February 2013 the Spanish government adopted a Royal Decree Law on support measures for entrepreneurship and employment, including youth employment, after a consultation process with the social partners. This set of measures is included in the Spanish Strategy for entrepreneurship and youth employment 2013-2016, presented by the Spanish Prime Minister on 12 March 2013.

The strategy foresees 100 measures: 15 short-term emergency measures (i.e. flat rate for the young self employed with a minimum Social Security contributions of 50 euros for six months and incentives for hiring young people) of and another 85 actions whose results are expected in the medium to long term given that they will need more time to take effect. They are aimed at providing a response to factors of a structural nature that effect youth employment.

Under a CEOE perspective, this Strategy is globally positive, although there are some aspects in which more ambition would have been needed.

Sustainability of the pension system

On 1 January 2013 the reform of the pension system, adopted in 2011, came into force. Its main elements are:

- Progressive extension of the ordinary retirement age from 65 years to 67 years in 2027.
- Increase of the contribution period to have the right to the full pension from 34 years to 37 years.
- The contribution base will be the latest 25 years of work.

On 15 March 2013 the Spanish government approved additional measures (in form of Royal Decree-Law) to close the gap between actual and legal retirement age and to foster the continuance of working life of elderly workers.

In particular, one of the aims is to increase the voluntary progressive early retirement age from the current age of 63 to 65 by 2017, and the involuntary early retirement age from 61 to 63 by the same year. A minimum contribution period of 35 years is set in the case of voluntary early retirement and 33 for involuntary early retirement.

Nevertheless, the definition of the sustainable factor (automatic adjustment factor for pension calculation in view of demographic trends) is still pending.

Hellenic Federation of Enterprises (SEV) Greece

Foster Competitiveness

a. Review of wage practices

- Legislation of new system that will replace the wage rates set in the National General Collective Agreement (NGCA) with a statutory minimum wage rate, in consultation with the social partners (start on April 2013).
- Revision of legislation so that arbitration takes place when agreed by both parties (employers and employees).
- Abolition of extension of sectoral / occupational agreements to all firms in each sector
- Reduction by the legislation of the existing minimum wages in the private sector by 22% and by 32% for ages below 25 years old.
- Suspension of clauses in law and in collective agreements which provide for automatic wage increases (including seniority).
- Collective agreements can only be concluded for a maximum duration of 3 years. Agreements that have been already in place for 24 months or more (on 14/2/2012) shall have a residual duration of 1 year. Collective agreements which have expired will remain in force for a period of maximum 3 months (from 14/2/2012). If a new agreement is not reached, after this period, remuneration will revert to the base wage and allowances for seniority, child, education and hazardous professions will continue to apply, until replaced with those in a new collective agreement or in new or amended individual contracts.
- Non – wage clauses of NGCA are applied to workers of all country, thus wage clauses of NGCA are only applied to workers covered by employers' organisations involved.

b. Increase productivity through improving education systems – i.e. encourage dual learning through improved apprenticeship systems, encouraging more people to study STEM related subjects

- Legislation on life – long learning development . Creation of National Organisation of Certification of Qualifications and Professional Orientation (E.O.P.P.E.P.)

Foster employment

a. Labour market reforms to promote flexicurity, i.e. make permanent contracts more attractive, allow for the development of flexible forms of employment including temporary agency work, activation of the unemployed, effectiveness of spending on lifelong learning, encourage mobility

- Regulatory framework for flexible forms of employment (part – time work, rotating employment, work through temporary employment agencies)
- Increase in limit of collective redundancies (up to 6 employees in company with 2- 150 employees and up to 5% percentage of total employees in company with 150 employees and above)
- Reduction of the compensation and the warning period (up to 4 months) due to a dismissal
- Reduction in overtime pay

- Extension of the probation period for new jobs to 1 year
- Legislation on fixed – term contracts (possibility of renewal up to 3 years period)
- Presentation of Action Plan (10/1/2013) concerning the expansion and reinforcement of existing ESF co-funded initiatives targeting young people, especially those who are unable to find work. 3 Ministries are involved (Labour, Education and Development – Competitiveness)
- Legislation to strengthen the role of Labour Inspectorate (in development the proposal – in cooperation with ILO services – to improve the organisation and structure of Labour Inspectorate).

b. Reducing the tax burden on labour to make work pay

- Reduction of employers' social contributions to Social Security Fund (IKA) by 1,1% percentage points through closure off small earmarked funds engaged in non – priority social expenditures (OEE, OEK).

Sustainability of pensions, health care and social benefits

a. Aligning the pension system to the national demographic structure

- Framework law on pension reform (2010 and 2012) regarding the function of secondary / supplementary public pension funds. Unification of all existing funds and establishment of a new single Social Fund. Reduction of nominary main and supplementary pension benefits (from 1/1/2012) to eliminate deficits and link between contributions and benefits.
- Reforms of health care system. Continuous measures to reduce the fragmented governance structure, reinforce the primary healthcare network, strengthen central procurement and develop a strong monitoring and assessment capability and e – health capacity.

b. Limiting early retirement schemes and using targeted incentives to employ older workers

- Reduction of time limits of retirement (general limit 67 years old)
- The dismissed workers aged 55 – 64 years have the right to self – insurance, with part of their contributions paid by the employer, while their number of the dismissed workers cannot exceed 10% of the total number of dismissed workers.

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| <p>The Confederation of Netherlands Industry and Employers (VNO-NCW) The Netherlands</p> |
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Foster Competitiveness

- Review of wage setting practices

No new developments. The main lines of the wage setting practice in the Netherlands is OK. Discussions take place about the increase of wages according to the duration of the experience in the job (and thus according to age). Wages should be better aligned with productivity changes.

- Increase productivity through improving education systems: encouraging dual learning; encouraging STEM subjects

The dual learning system in the Netherlands is quite developed but needs to

be revitalized (urgently?) For the economy and labour market in the Netherlands it is of utmost importance that more people study STEM subjects. Against that background it is relevant that the new government decided to agree on a Science & technology Pact with employers and the education sector. Moreover, the different top sectors have made a 'human capital agenda' in which they articulate the needs of business. The government is committed to address these needs.

Foster employment

- Flexicurity

The Netherlands urgently needs a revision on the legislation on dismissal. The new government has made proposals to realize a (broader; including duration of unemployment benefits and flexible jobs) reform in this respect and has recently started a dialogue with the Dutch social partners. The government has indicated that they are willing to consider changes proposed by the social partners, if these proposed changes fit within the budgetary framework.

- Sustainability pensions, health care and social benefits

The statutory retirement age will gradually increase as from 1 Januari 2013 to 67 year in 2021. Then it will further increase with the increase of life expectancy.

Social partners are in the process of negotiating to align occupational pension schemes with the age increase in statutory schemes and to make further reforms.

Aligning pensions to demographic structure

See above.

- Limiting early retirement en incentives to employ older workers

In the Netherlands, early retirement schemes are phased out and/or come closer to the official retirement age. The Dutch social partners jointly promote employing older workers and raising the effective retirement age.

- Labour participation people with disabilities (CSR to NL)

The new government intends to introduce legislation to promote the participation of disabled people, including a quota system to enhance the labour participation of people with disabilities. VNO-NCW is strongly opposed to such a system. A dialogue takes place in order to enhance the labour participation of disabled people and to prevent a quota system.

The government has indicated that they are open to another system as long as it is effective.

- Long term care (CSR to NL)

The Netherlands received a CSR to reform long-term care. Recently the Social-Economic Council has issued an advice to the government about how to realize such a reform

Introduction

L'année 2012 a été marquée par deux événements majeurs :

- Au plan politique, des élections présidentielles et législatives ont eu lieu en mai et juin 2012. Des négociations avaient débuté, au printemps 2012, pour mettre en place des accords de « compétitivité emploi », outil à la disposition des entreprises pour affronter des crises conjoncturelles sans supprimer d'emploi. A cet effet, le dispositif prévoyait la possibilité d'ajuster, par accord collectif, des paramètres comme le salaire, la durée du travail et l'emploi. Une nouvelle majorité de gauche est arrivée aux affaires. Ces changements politiques ont retardé les réformes à conduire dans de nombreux domaines.
- Au plan économique, la situation a été particulièrement difficile avec une croissance zéro au cours des trois derniers trimestres 2012. Pour mémoire, en juillet 2012, la notation de la France a été dégradée entraînant la perte du « triple A ». Les questions de compétitivité ont été au cœur des débats.

La nouvelle majorité a impulsé une nouvelle approche des dossiers sociaux marqués, sur la méthode, par la volonté d'une concertation accrue avec les partenaires sociaux dans le cadre d'un dialogue social rénové. La Grande Conférence sociale de juillet 2012 a été un temps fort de cette concertation et a permis d'arrêter un calendrier et un programme de travail. La feuille de route diffusée dans le prolongement de la Conférence, qui fixait les thèmes de négociations que le Gouvernement souhaitait voir traiter par les partenaires sociaux, contenait tous les éléments de flexibilité réclamés par les organisations patronales.

C'est dans ce cadre qu'a pu s'engager une négociation dont l'objectif annoncé était de réformer en profondeur le marché du travail et trouver les moyens d'enrayer la montée du chômage, de sécuriser les parcours professionnels, tout en donnant aux entreprises les outils de flexibilité nécessaires pour s'adapter à leur environnement économique.

1. Compétitivité

1.1 Salaire minimum interprofessionnel de croissance

L'année 2012 a été marquée par l'amorce d'une réflexion sur le salaire minimum interprofessionnel de croissance (Smic). Plusieurs études, pour certaines déjà anciennes, ont en effet mis en évidence le lien entre le niveau du Smic et le niveau de chômage structurel.

Le Medef plaide ardemment pour une prise en compte de ces études et une politique ferme de modération du Smic, de manière à favoriser l'embauche de salariés, et notamment de jeunes, peu qualifiés.

La mise en place du crédit d'impôt compétitivité emploi répond en partie à cet objectif de baisse du coût du travail peu qualifié, mais l'effort doit absolument être poursuivi pour lutter efficacement contre le chômage.

1.2 Formation professionnelle et apprentissage

S'agissant de la formation professionnelle, et particulièrement du développement de l'apprentissage, l'année 2012 n'a pas été très fructueuse.

Certes, le ministre délégué à la formation professionnelle et l'apprentissage a annoncé son intention de parvenir, d'ici à 2017, à 500 000 apprentis formés chaque année (contre 430 000 en 2011).

Néanmoins, les moyens d'atteindre cet objectif restent très flous, et certains signes sont même inquiétants. Par exemple, rien n'a été fait, à ce stade en tout cas, pour améliorer l'information et l'orientation des jeunes vers l'apprentissage et pour redresser l'image négative de l'apprentissage véhiculée par le système scolaire. De même, les mesures visant à faciliter l'accès des jeunes aux entreprises proposant des contrats d'apprentissage (modules de remise à niveau par exemple), comme celles visant à inciter les entreprises à accueillir des apprentis (baisse du coût d'un contrat, assouplissement de la structure des formations) n'ont pas été développées.

2. Emploi et marché du travail

« Accord national interprofessionnel du 11 janvier 2013 pour un nouveau modèle économique et social au service de la compétitivité des entreprises et de la sécurisation de l'emploi et des parcours professionnels des salariés »

L'accord contient de nombreuses mesures de flexibilité bénéficiant aux entreprises.

2.1 Mesures facilitant la gestion des ressources humaines

- Plan de mobilité interne sans plan de sauvegarde de l'emploi : des accords collectifs, négociés tous les 3 ans, pourront encadrer les conditions dans lesquelles des modifications de contrat de travail pourront être proposées aux salariés. Dès lors qu'aucune suppression de poste n'est envisagée par l'employeur, le refus d'un salarié entraîne son licenciement pour motif personnel, et non plus pour motif économique comme c'est le cas actuellement. La procédure s'en trouve très allégée.
- Encadrement des procédures de consultation des représentants du personnel : le principe est posé que les délais de consultations sont préfix, et ne peuvent, comme cela arrive souvent, être allongés par des demandes renouvelées de nouvelles informations ou des recours judiciaires.

De la même manière, les délais laissés pour l'expertise à la demande du comité d'entreprise sont également préfix, et le coût est limité.

2.2 Mesures donnant aux entreprises les moyens de s'adapter

- Reprise des fruits des négociations sur les accords compétitivité emploi, qui deviennent des accords de maintien dans l'emploi : de tels accords – qui doivent être majoritaires- vont pouvoir être conclus dans un cadre sécurisé, avec une implication forte des représentants du personnel. L'analyse des difficultés économique se fait conjointement avant la conclusion de l'accord. La possibilité est laissée aux salariés de refuser son application, ce qui entraîne alors leurs licenciement économique, mais sans l'accompagnement en principe attaché à ce type de licenciement. C'est l'accord qui déterminera la nature de l'accompagnement. Le non-respect des termes de l'accord peut entraîner la responsabilité de l'employeur, et l'accord doit prévoir les conséquences d'un retour à bonne fortune.
- Simplification du recours à l'activité partielle : un régime unifié est mis en place, plus simple et plus lisible, à coût constant. La contrepartie « emploi », jusqu'ici obligatoire à l'issue du dispositif, sur une période équivalente, est supprimée au-delà de l'application du dispositif, ce qui devrait faciliter son accès aux PME.
- sécurisation des procédures de licenciement collectif, par accord collectif majoritaire ou par homologation : l'employeur dispose de deux mécanismes pour

mettre en place un plan de sauvegarde de l'emploi. Soit il conclut un accord collectif majoritaire qui couvre la procédure, le calendrier de consultation du comité d'entreprise, et le contenu du plan social, soit il élabore seul un document qui traite des mêmes thèmes et le soumet à l'homologation de l'administration après avis du comité d'entreprise. La procédure et le contenu sont ainsi relativement sécurisés (un recours reste évidemment possible, mais dans un délai court), ce qui écarte le risque d'annulation de la procédure et des licenciements qui s'en suivent.

Les salariés conservent leur droit de recours individuel pour contester le bien-fondé de leur licenciement, le contrôle du motif économique ne pouvant être exercé qu'à posteriori.

2.3 Mesures de sécurisation juridique et de déjudiciarisation

- Sécurisation juridique des relations de travail : un groupe de travail paritaire va identifier les cas dans lesquels une irrégularité de forme peut entacher le fond, afin d'étudier, avec l'administration du travail, les possibilités de remédier à ces situations très préjudiciables aux entreprises.

- Incitation à la conciliation prud'homale : la procédure prud'homale prévoit une phase préalable de conciliation obligatoire, qui n'aboutit cependant que très rarement à une solution amiable. Afin de renforcer cette phase, un barème d'indemnisation a été mis en place, de nature à faciliter les conciliations, en prévoyant des montants suffisamment attractifs pour les salariés, mais équilibrés au regard du risque pris par l'employeur. Les parties seront ainsi moins enclines à s'engager dans une procédure aléatoire, longue et coûteuse.

- Raccourcissement des délais de prescription : le délai de droit commun de 5 ans a été ramené à deux ans pour les cas relevant du droit du travail. Par ailleurs, la période sur laquelle peut porter une demande de rappel de salaire a été déconnectée du délai de prescription d'action proprement dit, et fixée à 36 mois. Le salarié est donc certain, dès lors qu'il agit dans le délai de deux ans, de pouvoir réclamer des salaires sur 36 mois.

En contrepartie de ces éléments de flexibilité, l'accord prévoit des droits nouveaux pour les salariés, à même de sécuriser les parcours professionnels : généralisation de la couverture complémentaire santé, amélioration de la portabilité des droits en matière de mutuelle et prévoyance, création d'un compte individuel de formation, créations de droits rechargeables à l'assurance chômage, encadrement du travail à temps partiel, information anticipée des représentants du personnel sur la situation économique et sociale de l'entreprise, création d'une période de mobilité volontaire sécurisée.

3. Protection sociale

3.1 Financement

Après la dégradation de la notation de la France, le Gouvernement a confirmé, l'objectif de la France de s'engager sur une trajectoire de redressement des comptes publics et sociaux. S'agissant des comptes sociaux, l'objectif est un retour à l'équilibre à l'horizon 2017. Le Gouvernement a fait le choix d'atteindre cet objectif par une hausse des prélèvements obligatoires, déjà parmi les plus élevés d'Europe.

- Le MEDEF a regretté cette orientation en rappelant qu'entre 2010 et 2012 les prélèvements supplémentaires sur les entreprises se sont élevés à plus de 11 Mds€.
- Le MEDEF a appelé un freinage volontariste des dépenses, en particulier dans le champ de la protection sociale où notre pays se situe 3 points au-dessus de la moyenne européenne en pourcentage du PIB (33 % contre 30 % en moyenne dans l'OCDE).

Au final, en 2012, la situation des comptes sociaux est restée très dégradée avec un déficit de -13 Mds€ toutes branches du régime général et un endettement plus élevé encore.

Poussé par le MEDEF, le dossier de la réforme du financement de la protection sociale, qui repose trop sur les revenus du travail, a été au cœur de l'année 2012. Si aucune réforme ambitieuse n'a pu aboutir en 2012, le chantier reste ouvert :

- Le nouveau Gouvernement est revenu sur la réforme de la « TVA sociale » mise en place par la précédente majorité et qui devait conduire à un transfert d'une partie des cotisations sociales famille vers d'autres sources de financement (enjeu : 13 Mds€ pour les entreprises) comme le recommandait le Conseil de l'Union européenne¹.
- Mais, il a confirmé et installé le nouveau Haut Conseil du financement de la protection sociale (HCFPS) créée par la précédente majorité avec pour objectif la remise d'un rapport d'étape en avril 2013 et de premières décisions dans la foulée.

Concernant la compétitivité, et face aux difficultés économiques immédiates, le Gouvernement a annoncé à l'automne un Pacte de compétitivité comprenant la mise en place d'un crédit-impôt compétitivité-emploi (CICE) en faveur des entreprises (enjeu : 20 Mds€ pour les entreprises) – donnant ainsi aux entreprises une bouffée d'oxygène, ce dont le MEDEF s'est réjoui, même s'il reste encore beaucoup à faire notamment sur la réforme du financement de la protection sociale.

3.2 Assurance maladie et santé

En ce qui concerne la branche maladie du régime général de la Sécurité sociale, la plus déficitaire, il importerait d'engager des réformes structurelles de l'offre de soins.

Or les premières mesures prises à l'automne 2012, dans la LFSS 2013, ne vont pas dans ce sens : elles augmentent les recettes et desserrent la contrainte sur les dépenses (Ondam à 2,6 % en 2013 contre 2,5 % en 2012). Les efforts de maîtrise de la dépense décidés par la nouvelle majorité pèsent essentiellement sur les acteurs privés de la santé :

- plan « médicament » proche de 1,5 Mds€ (baisse de prix, maîtrise médicalisée)
- report ou annulation des réformes hospitalières pénalisant les établissements de santé privés (fin de la convergence tarifaire public-privé, report de la facturation individuelle directe des hôpitaux publics, mécanisme de tarifs flottants, etc.).

Le MEDEF a regretté ces orientations et a appelé à engager les indispensables réformes à l'hôpital (en matière d'offre de soins, réduction des capacités hospitalières publiques pour revenir dans la moyenne européenne² et rationalisation de la gestion des hôpitaux publics dans un souci d'efficacité).

3.3 Retraites

Plusieurs constats

En dépit des réformes entreprises depuis 2003 :

- les dépenses liées au risque vieillesse représentent en France 14,5% de sa richesse nationale (3^{ème} pays UE à 27)

¹ - Recommandation du Conseil de l'UE du 12 juillet 2011 concernant le programme national de réforme de la France pour 2011.

² - La part des dépenses hospitalières dans l'ensemble des dépenses de santé représentent 36 % en France, contre 29 % dans la moyenne des pays de l'OCDE.

- les dernières projections du Conseil d'orientation des retraites montrent que le système de retraites ne sera pas à l'équilibre à moyen terme : le besoin de financement du système de retraite se creuserait régulièrement de 0,7 à 1 point du PIB entre 2011 et 2017, passant de 14 à 21,3 Mds€, pour atteindre 24,9Mds€ en 2020, alors même que la réforme de 2010 prévoyait un retour à l'équilibre en 2018.

Cela montre bien que la réforme de 2010 était nécessaire, notamment parce qu'elle a procédé à un recul de l'âge de la retraite, mais insuffisante. Il faut reprendre l'ouvrage...

Les orientations

Le Gouvernement a annoncé, avec la feuille de route sociale de juillet dernier, le lancement d'une réforme profonde du système de retraite français, après constitution d'un groupe de sages chargé de faire des propositions sur la base desquelles la concertation avec les partenaires sociaux serait engagée. La démarche a été confirmée par le Président de la République. Le MEDEF attend beaucoup de la constitution de ce groupe et, plus largement, des orientations du Gouvernement sur le sujet.

Conclusions:

- L'assainissement budgétaire reste le défi majeur pour le Gouvernement.
- La maîtrise des dépenses ne constitue pas l'axe essentiel du redressement qui passe d'abord par une hausse des recettes contrairement aux recommandations du Conseil. Les réformes structurelles ont pris du retard en 2012 (financement de la protection sociale, réforme de l'assurance maladie notamment).
- La trajectoire de redressement a été confirmée en 2012, des mesures compétitivité ont été prises en faveur des entreprises (CICE), le chantier du financement de la protection sociale reste ouvert avec de premières décisions annoncées pour le trimestre 2013.