



European Trade Union  
Confederation (ETUC)\*  
Confédération Européenne  
des Syndicats (CES)



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## Joint statement on the Europe 2020 Strategy

### 1. Introduction

The challenges that were there in 2000 when the Lisbon Strategy was set up remain the long-term challenges which our societies are facing now: these concern globalisation, ageing populations, the transition towards a low-carbon economy but also a more socially cohesive society based on equal opportunities as well as equal treatment.

But the crisis has considerably heightened the urgency of tackling these challenges in a coherent and ambitious policy agenda for the European Union. Evidence is mounting that Europe is lagging behind in the global economic recovery. The main objective should be to put Europe on a sustained growth path, ensure a rapid return to more and better jobs, while ensuring fiscal sustainability. A sense of collective responsibility will be needed to achieve this objective, based on clear targets and greater accountability for Member States and EU institutions.

It is also important that the right lessons from the economic and financial crisis are drawn, making sure that past mistakes are not being repeated. This implies reforming the global financial system, in order to foster greater stability and to get a financial sector that works for the economy and not the other way around. It implies facing the job crisis and restoring and improving growth dynamics to create more and better jobs.

Improving competitiveness by having the European economy move up the ladder of innovation, technology and productivity is important. For this, it is crucial to mobilise the EU's human capital and the ingenuity of companies in an effective way. It is also important that Europe with its vast internal market becomes a greater engine of growth, with higher productivity and innovation gains and major investment in a greening of the economy. Social cohesion must also be seen as a precondition for a dynamic and sustainable economy. Promoting skills and entrepreneurship, revitalising the single market; developing an integrated EU industrial policy, supporting new means of financing for investment and taking on the fight against poverty and inequality will all be crucial factors for the EU's future success.

\*The ETUC delegation includes representatives of the CEC/Eurocadres Liaison Committee

## **2. Policy priorities**

### **2.1 Combining exit and entry strategies**

The clear objective of macro-economic policies should be to regain scope for action and be able to mobilise the necessary resources to sustain growth-enhancing investments while ensuring the sustainability of public finances and social protection systems in order to maintain intergenerational solidarity and cohesion.

This means to combine and sequence an exit strategy to cap public indebtedness with an entry strategy, investing in skills, technology and modern infrastructures.

This can only be achieved through a reassignment of policy priorities leading to balanced reforms of public expenditure, tax systems and governance structures, while ensuring in the future sustainable levels of private indebtedness. In the context of the European Monetary Union, greater and broader surveillance of national economic policies between countries sharing the single currency will be a necessary condition for future growth and stability.

Sustainability of public finances must go hand in hand with a renewed pledge to achieve excellence in education, training and research systems and allow for the effective deployment of new technologies and modern infrastructures to meet energy and climate challenges.

This will require new sources of financing, using public funding and private saving as a lever. This should be done in particular by making greater and more targeted use of the European Investment Bank funding capacity, the EU budget and by developing true markets for infrastructure and innovation financing.

### **2.2 Promoting the knowledge triangle (education, research, innovation)**

Europe must further strengthen its potential in terms of skilled workers, science, research and technology and thus its capacity to innovate as a key element of competitiveness. In any case, the knowledge triangle must remain at the heart of the EU2020 strategy. In this context the notion of innovation has to be widened to all kind of non-technological innovation including "social innovation" in order to increase social capital which is important for both competitiveness and social cohesion. Insufficient investment in innovation and further education is exacerbating economic problems and affecting labour productivity.

Looking ahead, our work patterns are changing. So are employers' needs for skills in the work force and the needs of workers to combine productive employment with family life and personal development. Europe must not only upgrade and update skills levels; it must also make sure that workers have the skills that are needed on the labour market and that these skills are fully used in high-quality jobs.

Comprehensive lifelong learning strategies are required to ensure employability of workers. It is important to establish effective concepts for initial and further training, create jobs, not least for those who are excluded from the labour market due to, for example, shortcomings in their education, and to take effective steps to remove discrimination as far as access to and remaining in the labour market are concerned. Well educated workers and the capacity to innovate are key elements of competition and a prerequisite for prosperity. This is indispensable for the creation of productive and highly-skilled jobs.

## 2.3 Employment and social policies

Member States have acted to cushion the social and employment impact of the economic crisis. Nevertheless, unemployment rose to 23 million people in 2009 and youth unemployment has now reached over 21% and many in a precarious situation. European employment rates are substantially lagging behind, with only two thirds of the work force currently in employment. The 70% employment rate target of the Lisbon Strategy is further out of reach than before the crisis. This is a matter of immediate concern, as are the medium- and long-term challenges facing European labour markets.

The EU 2020 should therefore strike the right balance between measures to address the employment impact of the crisis and reforms aimed at addressing Europe's medium- and long-term labour market challenges. An increase of employment that goes hand in hand with higher productivity should be the key objective.

In concrete terms, an increase in EU growth rate to an average of at least 2% should be the aim in coming years. A significantly higher growth rate, along with the creation of more and better jobs, is a precondition for achieving the EU employment rate of 75%, and successfully addressing the labour market and financial implications of population ageing. From 2010, demographic ageing results in the decline in working-age population of over 3 million workers by 2020 and much more beyond. If the EU continues to ignore this trend, it will not only undermine its social protection systems, but also lose business opportunities and the related jobs and growth.

To reach these objectives, modern labour markets are required. In view of creating more and better jobs, European Social Partners therefore call upon Member States to implement a right mix of policy measures addressing flexibility and security dimensions (labour law and contractual arrangements, effective and high-quality active labour market policies, lifelong learning policies, efficient and sustainable social protection systems, social dialogue) for workers and employers in a holistic and balanced way.

In addition, European Social Partners call upon Member States to review, and if necessary adjust, the design of labour law, job protection systems and, together with social partners, collective bargaining practice with a view to:

- ensuring an optimal balance between flexibility and security for all employment relationships. Provide adequate security for workers under all forms of contracts in order to tackle segmented labour markets;
- developing complementary employment security measures promoting transitions into productive and rewarding jobs;
- enhancing legal certainty and transparency for both employers and workers with regard to the scope, coverage and the enforcement of labour law;
- implementing and respecting at national level the principles and rules of European social directives, including those deriving from a framework agreement among European social partners, as well as the basic principles of equal treatment and non-discrimination;
- promote stable employment relationships and sustainable labour market practices.

Flexicurity policies must be accompanied by sound macroeconomic policies, favourable business environment, adequate financial resources and the provision of good working conditions.

In particular, wage policies, autonomously set by social partners, should ensure that real wage developments are consistent with productivity trends, while non-wage labour costs are restrained where appropriate in order to support labour demand. Unemployment and poverty

traps must be addressed as well as disproportionate executive pay, making sure that remuneration policies are aligned with the long-term success of enterprises and sound management practices.

Strengthened efforts are required to ensure a real and effective implementation of the various measures at the appropriate level. Member States should also involve social partners in the design of policy measures and develop their capacity where needed, for instance when integrating the various policy measures in national reform programmes.

European social partners further call upon Member States to involve social partners in the design of policy measures and develop their capacity where needed; integrate the various policy measures in national reform programmes and strengthen efforts to ensure a real and effective implementation of the various measures at the appropriate level.

For their part, social partners must actively contribute to the design and implementation of policy measures addressing the flexibility and security dimensions.

Finally, striking the right balance between work and family life is an important factor to enhance gender equality and further increase female labour participation

#### **2.4 A supportive public environment and access to high-quality, affordable and effective public services**

The EU 2020 strategy should address public services' accessibility, quality and effectiveness; fostering their capacity to innovate and modernise. Effective public services provide an important infrastructure for business development and citizens' quality of life. Private companies, especially SMEs, depend to a large extent on the quality and affordability of public services such as transport and ICT infrastructures, education and training systems, employment and business support services. Accessibility, quality, efficiency and effectiveness must be enhanced, including by taking greater benefit from well balanced public-private partnerships and by modernising public administration systems.

Efficient and sustainable social systems, providing income support and fostering labour market mobility and integration, are also a key prerequisite to citizen welfare and private business strength.

In addition, efficient and effective regulations to ensure fair competition and a reliable legal framework are crucial in a social market economy. Improving the quality of regulation and strengthening its enforcement is thus an urgent priority. The European Small Business Act, including the commitment to the "Think Small First" Principles, needs to be applied.

### **3. Governance and procedures**

Although Member States have the main responsibility for implementation of structural reforms, there needs to be an appropriate European framework enabling them to be implemented in a coordinated and consistent way. The absence of such a European framework was one of the main reasons why the Lisbon Strategy did not deliver. It is therefore necessary to review its lack of ownership and accountability in the attempts to coordinate structural reforms. In the new strategy, emphasis must be put on benchmarking in order to pin down structural weaknesses at national level, define clear quantitative targets and deadlines for achieving them. The Commission should closely monitor progress and exert its right of alert when Member States are not delivering on agreed commitments.

Integrated guidelines, which provide a basis for common reform priorities across member states, should be reduced in number and be more focussed on the overall objectives of growth, competitiveness, more and better jobs and social cohesion. National reform programmes and country-specific recommendations must be tailored at addressing national structural weaknesses based on transparent analysis and evaluations. A pre-condition for the success of new governance mechanisms is a stronger involvement of the social partners at all levels (European, national, regional and local levels) in the design and in the monitoring of both European and national reforms strategies.

Member States should strongly support a climate of trust and social dialogue between employers and worker organisations by respecting the autonomy of social partners, assisting and supporting social partners and associating them in decisions on how to spend capacity-building funds available notably under the European social fund.

Finally, the next multiannual financial framework of the EU must reflect the EU 2020 objectives.

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