



8 June 2008

### **MEETING WITH MINISTER OF LABOUR AND SOCIAL AFFAIRS MR PETR ŠIMERKA 8 JUNE 2008**

#### **Messages in view of the European Council**

The upcoming European Council will discuss a Commission communication proposing a balanced approach to tackle unemployment, building on the conclusions of the Employment Summit held in Prague on 7 May 2009. BUSINESSEUROPE expects a clear and firm commitment from all Member States to back this approach.

With expected unemployment rates of 9.4% in 2009 and 10.9% in 2010, implementation of the flexicurity approach remains more necessary than ever. Making full use of welfare systems to deal with the effects of the crisis is important. However, keeping labour costs under control, investing in skills and improving labour market flexibility is also essential. There can be no sustainable return to employment without a business-friendly environment.

#### **Commission communication on Employment**

BUSINESSEUROPE believes the priority areas for action stipulated in the Communication (employment, mobility, skills) are the right ones. Flexicurity should remain the right approach to modernise labour markets as was agreed by the European social partners.

To fight rising unemployment, the Commission rightly highlights the need to stimulate entrepreneurship, better regulation and reduce non-wage labour costs. This is crucial to help maintain or create jobs. BUSINESSEUROPE has also noted with interest the proposed new EU microfinance facility for employment. In order to ensure a lasting impact on employment, it is essential that it focuses its intervention on entrepreneurs with good projects.

Short-time working arrangements have shown that they are an effective and flexible instrument to maintain jobs. BUSINESSEUROPE therefore warns the Commission for far-reaching regulatory approaches which will undermine the flexibility of such schemes and be counterproductive.



### **Council conclusions on flexicurity**

The Council will adopt conclusions entitled “Flexicurity in times of crisis”. It is an important signal that the Council expresses its support to the flexicurity approach in these difficult circumstances. We welcome the fact that the conclusions refer to the European social partners’ joint labour market analysis.

The conclusions rightly mention the need to promote job creation, lower non-wage labour costs, upgrade skills and promote entrepreneurship and innovation.

### **Pregnant and breastfeeding workers**

In view of the Czech Presidency report on the state-of-play regarding the draft proposal on pregnant and breastfeeding workers, BUSINESSEUROPE would like to reiterate that there is no need to extend the minimum maternity leave requirement from 14 to 18 weeks. This is well intentioned, but would have completely different effects from one EU country to the next. Moreover, it would also impose a heavy extra burden on companies and public finances. For example, the proposal would increase German employers’ costs by around 700 million euro a year.

BUSINESSEUROPE is convinced that reconciliation is the best approach, with a strong emphasis on developing childcare facilities to retain women on the labour market.

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