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MEETING BETWEEN ANTONIO TAJANI, VICE-PRESIDENT OF THE EUROPEAN COMMISSION AND COMMISSIONER FOR INDUSTRY AND ENTREPRENEURSHIP, AND PHILIPPE DE BUCK, DIRECTOR GENERAL OF BUSINESSEUROPE

Introduction

On 28 October 2010, the European Commission published a Communication on “an Integrated Industrial Policy for the Globalisation Era”.

European business welcomes the renewed attention given to industrial policy and urges EU policy-makers that this now needs to become concretely visible in all upcoming EU policy initiatives.

In its recommendations on an “integrated industrial policy for Europe” of 16 June 2010 – see attached, BUSINESSEUROPE outlined its vision of an EU industrial policy equipped to strengthen the competitiveness of European industry and to improve the conditions for investments in Europe.

Helping European industry to create growth and jobs requires policies that foster its competitiveness - i.e. addressing innovation deficit, deepening single market and Internationalisation of European Companies - but also implies that new burdens on industry should as much as possible be avoided.

In the field of employment and social affairs, the priority is to ensure that companies have access to the skills they need to deliver their products and services globally. It is also essential to foster a positive attitude to change by enabling companies to make quick restructuring decisions. Finally, achieving adequate transparency on CSR is important following the crisis. However, this should not be confused with introducing CSR obligations for all companies.

Skills

- The industrial policy communication highlights the need for a better matching of skills supply and demand. It also recognizes the shortages in Science, Technology, Engineering and Mathematics.

In response to this, BUSINESSEUROPE's main points are the following:

- These challenges demand urgent action on the national level, rather than new tools being constantly launched on the EU level.



- The competitiveness of European companies depends on access to a sufficient supply of workers with the right set of skills and competencies. Systems to validate skills acquired through informal and non-formal learning, for instance at the work place, should be developed to this end.
- Addressing the structural shortage of Science, Technology, Engineering and Mathematics (STEM) skills in the EU is a key priority. In 2008, over 114.000 people with STEM skills were missing in Germany. The shortage of qualified ICT staff in the EU will rise to somewhere between 400.000 and 700.000 jobs in 2015.
- In view of the shrinking work force, productivity levels need to improve significantly. Over the years 2000 and 2009, productivity growth in Europe was 7,9%, which is alarmingly low. The link between the need to improve the productivity of the work force and the quality of our education and training systems is not made clear in the policy.

Restructuring

- The Communication announces the Commission's intention to consult social partners on the establishment of a European framework on restructuring.
- The social partner consultation is expected in the first quarter of 2011.
- The Commission favours a social partner initiative based on the "orientations for reference in managing change and its social consequences" negotiated by the social partners in 2003. The Commission has not yet taken a position on its own actions in the absence of a social partner initiative.
- In 2010, European social partners concluded a five-year project on restructuring, whereby they collected in-depth information on company practices and social partner actions across the EU before and during the crisis.

BUSINESSEUROPE's main points are the following:

- Restructuring is inevitable in the context of globalisation and technological change. Timely and effective restructuring decisions are a precondition for the success of companies and the long-term employment prospects of workers.
- Employers and workers' representatives have a common responsibility to foster a more positive attitude to change in Europe.
- BUSINESSEUROPE will assess the opportunity of engaging in discussions with trade unions on the basis of the Commission's consultation document.
- As a preliminary reaction, it is important to distinguish clearly between the actual *process* at company level and the *consequences* of restructuring.

On the process

- Existing EU legislation in the area of information and consultation of workers provides an adequate framework to ensure a constructive dialogue between management and workers' representatives at company level when restructuring occurs.



On the consequences

- Workers who are made redundant should be re-integrated in the labour market as quickly as possible. The role of the EU in this respect is first and foremost to steer the implementation of national labour market reforms along the lines of the flexicurity concept. Moreover, the European Globalisation Fund provides support to workers made redundant during the crisis and as a result of a major shift of world trade patterns.

Conclusion

- Any EU initiative on restructuring needs to be assessed on the basis of its added value. A good industrial policy should aim to ensure that restructuring leads to the creation of new jobs. Establishing an EU framework on restructuring would run counter to that aim if it creates new burdens on companies.
- The Commission's intention to launch a "fitness check" of directive 2002/14/EC on national information and consultation at national level, directive 98/59/EC on collective redundancies and directive 2001/23/EC on transfers of undertakings could interfere with and complicate a future social partner discussion.

Corporate Social Responsibility

The main statements on CSR in the Industrial Policy Flagship are the following:

- CSR can contribute to the competitiveness and sustainability of European industry.
- The financial crisis showed a new approach is needed to the balance between short-term profit maximisation and sustainable value creation in the longer run.
- The Commission intends to put forward a new policy initiative on CSR in 2011.

In response to this, BUSINESSEUROPE's main points are the following:

- BUSINESSEUROPE appreciates the open and constructive dialogue with Commissioner Tajani's cabinet and DG Enterprise on CSR.
- BUSINESSEUROPE and many individual companies agree that CSR plays an important role in the competitiveness and performance of European industry.
- Many European companies already take into account their contribution to sustainable growth and job creation and consider the effect of their business decisions on stakeholders.
- Adequate transparency is important to restore confidence and stability in the financial sector following the crisis, but this should not be confused with introducing CSR obligations for all companies.
- Any future policy initiative should take into account the diversity of companies and allow them to continue to innovate in the area of CSR.
- DG Enterprise and Industry should remain responsible for the development of a clear CSR strategy of the European Commission.