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Contribution from the Confederation of Danish Employers to consultation on the future EU2020 strategy COM (2009)647

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The Confederation of Danish Employers, DA represents 13 employers' organisations in Denmark with a membership of more than 28,000 private companies in manufacturing, retail, transport, services and construction. DA is member of BUSINESSEUROPE.

DA is registered in the Commission's Register for Interest Representatives.

DA agrees with the 3 thematic key drivers proposed by the Commission, but miss a clear growth vision for the next 5 years and a reinforced focus on the main long-term structural reform areas. DA encourages the Commission to emphasise the labour supply issue and the need for modernizing labour markets in order to create new jobs in the future. This is even more important as Europe due to demographic changes will lack sufficient qualified labour to sustain a strong level of growth.

The EU2020 should be a long-term reform strategy for Europe, not a short-term crisis management plan.

It is also important that a new strategy recognizes that companies play a key role in creating growth and employment in Europe.

In order to future-proof the European labour markets and companies competitiveness, the EU2020 strategy should emphasise

- Higher labour market participation and low unemployment
- Better qualified labour force matching companies needs
- Flexible labour markets – implementing flexicurity
- Increased labour supply
- An effective public sector to underpin companies' competitiveness

Focus on labour supply and demographic changes

The EU2020 strategy should be focused on the growth potential, promoting competitiveness and reforms that create sustainable growth, taking into account the growth constraints Europe will face because of a shrinking labour force.

When the Commission in its consultation paper on the second page is analysing constrains and new challenges, it should do so in a much more open and

direct way. In order to prepare for future demographic constraints on the private labour markets as well as the public financing of the social obligations, EU needs to be ambitious and agree on a clear growth path.

Green jobs and green growth entails new opportunities for companies, but only if there is a skilled labour force supply in the future. The EU 2020 strategy should have as a key priority increasing labour supply of skilled people and labour market participation in general.

That Europeans live longer is positive and constitute new opportunities for higher employment. It should be emphasized that it is possible both to increase employment participation for young people and keep senior citizens longer in employment. In this respect a more effective public sector is important to ensure that it does not drain the labour supply in the private sector.

Flexible labour markets – implement flexicurity

According to the Commission the aim is to make Europe a “first mover” and show global leadership. DA agrees with the Commission, but warns that global leadership depends on ensuring flexible and dynamic labour markets in Europe which meet the needs of companies.

To protect old jobs is a dangerous path when companies need to restructure and adapt to a greener economy. Focus for the EU 2020 must be on companies and workers adaptability and ways to create new jobs or enhance work mobility.

The EU2020 strategy should set the framework for creating growth through flexible labour markets, which generates mobility, new job opportunities and an adaptable workforce. Creating new individual rights or protecting old jobs and rights will only lead to a segmentation of the labour markets. Flexicurity is about ensuring employment security for all.

The EU 2020 strategy should have the implementation of the flexicurity principles as one of the key drivers for growth.

Better skills matching and competitiveness

It is positive that the Commission puts knowledge, skills and innovation as a top priority.

However, upgrading of skills, education and training should be perceived as much more than a mean to social inclusion or fighting poverty. Education and training policies are about delivering the future labour supply in order to stay competitive. If companies don't find the labour supply in Europe they will simply relocate to other regions of the world.

But a shrinking labour force combined with business needs for new qualifications implies that European policy makers should focus much more on dynamic vocational education and training systems and adult learning.

Companies will both on short-term and long-term basis need people with high-quality, specialized manual/vocational skills in order to stay competitive. Active labour market policy is also about training and upgrading people in employment. A key element in the EU2020 strategy must be to set clear targets for improving young people employability and avoid that young people drop out of school without any qualifications or are excluded from entering the labour markets because of un-flexible labour market regulations.

Better skills and qualifications should be at the core of a new long term EU2020 strategy, however better skills do not solve the demographic challenges with a shrinking labour force.

A clear vision and the will-power to act

DA agrees with the Commission proposal about interdependence between different players, policies etc. DA can support the proposal that Member States can set national objectives corresponding to national needs. However, it is also important to have common, clear defined European objectives.

Concerning governance, the European Council should be responsible for setting the objectives and implementing the strategy. In order to be competitive companies need the commitment from the highest level, and the political will-power to drive and carry through the needed structural reforms in each Member State. EU institutions and Member States must be collectively responsible for implementing the needed reform-strategy and be held accountable for their progress – or lack of results.

Therefore, the EU 2020 should have a limited number of objectives and be easy to monitor and benchmark on European level. It is also important to monitor each country's effective ability to reach the agreed objectives. In order to ensure full recovery after the financial crises DA encourages the Commission to establish an annually system of efficient monitoring of progress. However, an annual monitoring process must not imply new burdensome reporting systems and could be focused on certain specific areas.

Yours sincerely,

Dorthe Andersen