

IBEC Comments on Commission Working Document Consultation on the Future “EU 2020” Strategy

IBEC recognises that the programme of exceptional measures at European (as well as global) level have hastened the stabilisation of the European economies. At the same time Ireland found it difficult to participate fully in the European Economic Recovery Programme with the result that there was a lost opportunity in employing support measures during the crisis to give more support to business and employment. While recognising that Ireland perhaps had greater problems to overcome, the reluctance to sign up to most of the recovery stimulus advocated by the Commission is illustrative of the limited power that this co-ordinated process enjoys. There is undoubtedly a need to reinvigorate a European growth strategy, which requires a firm expressed commitment to doubling the growth potential of the European economy over the next five years. However, it will lack credibility if it is not backed up by realistic and measurable objectives to be achieved by the Commission, European parliament and most importantly be the Member States themselves. We agree with our colleagues in **BUSINESSEUROPE** that the weak means of delivery were at the root of the limited success of the previous Lisbon Strategy. In particular, making it happen lacks any real teeth and the “EU 2020 Strategy” has no new proposals nor apparently any appetite to push compliance. There needs to be new ways of fostering ownership and a true benchmarking culture at the national level, a more robust monitoring process by the Commission, an overhaul of EU budget to promote competitiveness, a re-launch of the better regulation agenda and a more systematic impact assessment of EU legislation on growth and jobs.

A significant amount of work has been done by the Commission in analyzing which policies are likely to bring most reward for individual Member States. This needs to be published and more importantly purposely brought into the national debate both in the national parliaments and in consultation with the social partners. The consultation document has little to say about increasing the ownership of EU policies and recommendations at the national level, which in our view was the big failure of Lisbon process. We would urge Government to advocate within the EU a more transparent benchmarking approach.

There is little innovative with regard to the labour market and much of the discussion in pages 6 and 7 amount to little more than aspiration.

In terms of Ireland's national agenda, the following would be among our priorities in the education, R&D, procurement and labour market areas.

Education and training

- Business and education collaboration across learning (modular learning and courses/competences that are relevant to knowledge economy) and research (commercialisation, technology transfer); other initiatives could include graduate internships.
- Government support for in-company training; unemployment crisis has resulted in public funds being switched from 'in' to 'for' employment training. While some reprioritisation is inevitable, this trend could undermine business competitiveness.

Innovation, research and technology

- Importance of services not emphasised. Funding streams (which also tend to be surrounded by opaque administration) are predominantly 'science' rather than innovation based. The document talks about 'creative' industries but this does not capture wider services sector.
- Applied and 'close-to-market' research needs more emphasis

Social policy

- No mention of pensions

- Flexicurity - a great concept but European labour markets less flexible on work organisation and labour relations. EU is still synonymous with over regulation. No mention of regulatory reform except for vague mention of 'better regulation'
- Labour market interventions, by their nature, will always have limited impact. Two guiding principles are that they (i) should be near to market (i.e. not make-work type schemes) and (ii) be tailored - e.g. different responses for skilled/unskilled.

Procurement

- Public procurement as a driver of enterprise and innovation policy. The document mentions it in the 'green' context but it could be much broader than this.
- Outsourcing - at a time of fiscal constraint, governments should be looking to the private sector, where appropriate, for more cost effective and efficient solutions. This goes further than aspects mentioned in relation to public private partnership.
- Streamline and reform procurement process.