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



Mr Herman Van Rompuy  
President  
European Council  
Rue de la Loi 175

1048 - Brussels

7 June 2010

**Re: Joint statement on the Europe 2020 Strategy**

Dear President,

Please find attached the European social partners' joint statement on the EUROPE 2020 Strategy.

We hope you will be able to take it into account in the preparations for the European Council on 17 June 2010.

Yours sincerely,

**BUSINESSEUROPE**

Philippe de Buck  
Director General

**ETUC**  
John Monks  
General Secretary

**UEAPME**  
Andrea Benassi  
Secretary General

**CEEP**  
Ralf Resch  
General  
Secretary

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4 June 2010

## 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.

## 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

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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