



24 July 2020

**European employers are committed to create the conditions for return to employment, job creation and better skills matching as part of the recovery**

With this statement, BusinessEurope and the signatory European sectoral employers express the clear message to public authorities and trade unions at all levels that European employers are committed to make their best efforts to continually employ and create new job opportunities in Europe, highlighting at the same time their needs to be able to do so.

The EU, in common with the rest of the global economy, is presently experiencing **the deepest recession since the Great Depression of the 1930's**. Whilst the situation remains very uncertain, the European Commission forecast is for the EU economy to fall by about 8.3% this year, far deeper than during the Global Financial crisis in 2009.

**Europe's response to the crisis has so far allowed to contain the employment and social impact of the crisis in a more effective way than has been the case in other world regions.** Strong and autonomous social partners in Europe have been an asset for rapidly designing and implementing fairly balanced crisis-related solutions, including the role of collective bargaining.

In particular, BusinessEurope and the signatory European sectoral employers have engaged in a variety of initiatives and activities in the last months, with their respective trade union counterparts, aiming to inform the European response to the crisis based on their real time analysis of economic and social trends deriving from the Covid-19 crisis.

Concretely, two trends have coexisted in the last months:

1. **On the cross-industry level, there has been a stronger than usual focus on tripartite arrangements between governments, employers and workers**

This has proven to be part of Europe's resilience capacity, demonstrating its unparalleled social dimension, in particular to mobilise or create adapted short-time working schemes.

**Short-time working schemes** has so far largely saved the EU from the dramatic unemployment increases seen elsewhere, notably in the US. But without strong policy support for businesses and workers, unemployment levels could rise significantly above the 9% level the European Commission has forecasted for the EU in 2020, and will not return quickly to the 7.9% figure they forecast for 2021.

A key priority for cooperation between the European Commission, the cross-industry social partners and national governments in the coming months is to **ensure that short-time work schemes are well coordinated at European level and well-performing in all EU Member States**, making good use of the European financial support that will be available for countries in need via SURE. At the same time, these schemes are and should remain temporary in nature. They should be lifted in a flexible manner, adapted to the progressive release of containment measures. The role played by national sectoral social partners in their application needs to be taken into account.

The objective going forward is to **encourage companies to fully recover their capacities as quickly as possible, ensuring a safe return to work for workers**. The recovery plan just agreed by the European Council is a bold first step, and given its financial weight, it has the potential to make a real difference to boost investment and job creation by competitive companies, protect jobs and reduce business closures.

We now need to ensure that it is going to **invest the resources made available on important and essential employment-enhancing structural reforms** for our countries to strengthen their long-term growth potential. The way ahead is to improve the agility of labour markets, avoiding too strict regulations which act as a barrier to job creation.

While access to liquidity remains a key concern for many companies across Europe, we need to progressively move from a focus on the very short-term survival to the crisis, to investing into the future success of Europe by improving and mobilising our innovation and growth potential.

The European semester will play a key role. We count on the Commission and Council to ensure that the money foreseen in the Next Generation EU recovery instrument is well spent. Resources disbursement should be linked to the implementation of country-specific structural reforms.

## **2. The effects of this crisis have been far reaching throughout the economy**

**Some sectors in particular have suffered more dramatic consequences**, as an immediate consequence of the lockdown measures. Negative impacts are more diffuse or protracted in other sectors, notably due to the lack of free movement of workers, supply chain disruptions at global level and within Europe and the related actual or expected impacts on production capacity. A high number of social dialogue solutions and initiatives have been introduced at sectoral and company levels as a response to this crisis.

In this context, BusinessEurope and the participating European sectoral employers recall the importance of:

- **a growth strategy including the green and digital transitions but not limited to these two crucial transitions.**
- **a strengthening of key industrial value chains and ecosystems**, and for the designing and implementing of a **strong single market reform agenda**.
- **a solution to be designed now to ensure an adequate functioning of free movement of workers in the case of a second wave of Covid-19 or in view of a future similar sanitary crisis.** Due to lack of preparation, many mobile and cross-border workers were not able to perform their duties in the last months because of different border crossing restrictions imposed by Member States. The situation has improved recently. But Europe still needs to secure the availability of an appropriate

contingency measure that can be applied quickly and effectively if and when a similar situation would occur in future.

- **The rolling out of the European skills agenda in close connection to industrial policy objectives and initiatives**, as is rightly highlighted in the Commission's New Industrial Strategy for Europe of March 2020. The nature of skills needs has not been significantly altered by the pandemic, most notably the need to achieve better results in terms of STEM, digital skills, and innovation. This is and remains about promoting a skill set that allows all workers to be able to use the technology they need to master to design and sell new products and services, such as information and data literacy, communication and collaboration, digital content creation, safety, problem solving. However, during this crisis, it became evident that a stronger focus on **e-learning** is needed due to limitations for in-person training in a context of social distancing. Concrete solutions also need to be found for vocational education and training which requires a lot of on-site exercises and more traditional competences. Moreover, a **broadly social partner led approach to employee training** and dual learning will deliver more effective and efficient outcomes than a purely individualised support mechanism, such as a learning account. We also consider the **sector skills blueprints as a good initiative**. European cross-industry and sectoral employers look forward to engaging with the Commission and with their respective trade union counterparts to make the proposed Pact for Skills a successful undertaking serving the needs of enterprises and workers.
- **A science-based approach underpinning a safe-return to the workplace of all workers** that have either been teleworking or working less due to the crisis's economic impacts. **Employers are committed to act in accordance with their legal obligations and responsibilities**, which needs to be embedded into pre-existing employers' risk assessment approaches. **Public authorities at all levels need to avoid creating excessive additional obligations for employers**, or unclarity as regards the application of public health crisis-related measures at the workplace. Moreover, effective solutions are needed e.g. for health and safety protocols at work, in line with diverse national industrial relations practices.

The way in which the sanitary situation will evolve in the coming months is to a large extent beyond human control. However, **our collective capacities, responsibility and intelligence can help limit the spread of a future virus more quickly in a future occurrence**.

In this period of economic difficulties and uncertainty, **we have a plea for policy-makers at all levels to limit to the minimum the cost and administrative impacts of the measures they currently contemplate** and to postpone their initiatives' timelines where needed.

**To conclude, European employers are ready to play their part, by focusing on what they do best: the design, marketing, production and distribution of innovative products and the provision of services that can offer solutions to the challenges of the 21<sup>st</sup> century while attracting customers globally and in Europe, to be able to create good and sustainable jobs across our continent.**

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