



Council of European Employers
of the Metal, Engineering and
Technology-based industries

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CEEMET IN THE
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MR OLE CHRISTENSEN MEP - INTRODUCTION

Ladies & Gentlemen

As a member of the Parliamentary Employment Committee I am very pleased to welcome you to the European Parliament and in particular to this second European Forum for Manufacturing in the NEW Parliament.

As you are all well aware manufacturing matters to the European Union:

- it provides jobs for over 34 million people
- it accounts for three quarters of EU exports
- it provides over 80% of EU private sector R&D expenditure

The manufacturing sector is important to growth and it provides quality jobs with decent salaries and thus creates opportunities for many people, who do not necessarily have a university degree.

I look very much forward to all tonight's input on how we can create and maintain a friendly environment for the manufacturing sector in Europe.

For those of you attending a European Forum for Manufacturing for the first time, it was founded following a speech by former Vice President Verheugen in this Parliament in 2009. It is led by MEPs from the main political parties. Its current Chair is Danuta Hubner – former Polish Government Minister, European Commissioner and Parliamentary Chair.

The agenda of our Manufacturing Fora is driven by our Parliamentary work and the timing of the meetings fit in with the relevant Parliamentary committee.

The fundamental purpose of the Forum is to help ensure that Europe remains a manufacturing leader and benefits fully through enhanced global competitiveness, social progress and environmental responsibility.

Tonight's Forum will examine how we can **MAKE EUROPE AN ATTRACTIVE PLACE IN WHICH TO INVEST FOR JOBS & GROWTH.**

This is a crucial question if we are to hit the EU's target of raising manufacturing contributions to EU GDP from the current 15 % to 20% by 2020.



ARMINDO SILVA

DG EMPLOYMENT, SOCIAL LEGISLATION AND SOCIAL DIALOGUE

Ladies and Gentleman,

I thank the European Forum for Manufacturing for its invitation, which gives me the opportunity to discuss with CEEMET and other stakeholders about EU industrial policy and in particular the agenda for regulation and social legislation.

This is a critical time for the future of the EU. At the institutional level, the Juncker Commission is now fully in place. They will have to address major challenges and there is no time to waste. As President Juncker said in his political statement “This the Europe of last chance” with respect to reconciling the citizens with the EU integration project.

Our Union is struggling to overcome the worst economic crisis in its history. Since 2007, EU industry has lost 3.5 million jobs and the economic situation is only slowly improving. In the second quarter of 2014, industrial production was 1.1% higher than a year before. However, this recovery is weak and hesitant. Importantly, European investments are still 14% lower than their pre-crisis level.

A policy agenda still has to be developed and in the different policy domains in line with the ten broad priorities set out in the Political Guidelines. The new Commission will attempt to rebalance economic and social policies, while maintaining continuity in a number of key areas. The announced investment plan worth 300 billion euros will be the first political priority of the Commission for boosting growth and jobs.

The new Commission will work with a new structure and new working methods as illustrated by the appointment of seven Vice Presidents in charge of horizontal issues and of coordinating work by the Commissioners responsible for sectoral policy. The intention is to fight the so-called “silo mentality” within the Commission and promote early joint development of policy proposals cross cutting several policy domains.

As part of the effort to ensure that recovery takes stronger hold, we need a genuine industrial renaissance. Your policy document “Industrial Competitiveness for a Social Europe” deserved our best attention. We share many of the viewpoints expressed therein.

I. A consensus on the importance of industry

We agree for instance that the metal, engineering and technology industries are essential for Europe’s recovery. They represent 35 million jobs, a very substantial share of our exports and more than 50% of private R&D expenditures. It also plays a key role as generator of productivity gains for the economy at large.

As President Juncker said during his first speech in front of the European Parliament, “we need to maintain and reinforce a strong and high-performing industrial base for our internal market, as it would be naïve to believe that growth in Europe could be built on the basis of services alone”.

The 2014 Communication "For a European Industrial Renaissance" is aimed at provoking a change of the mindset of European policy makers regarding industry. This is an important step forward and provides a very strong political basis for the Commission activities, including in support of metal, engineering and technology industries.

II. The Commission was and is active

We are now working on a Roadmap that the Council asked the Commission to produce. This roadmap will present concrete measures to implement the objectives of the 2014 Communication. The Roadmap should be discussed at the March 2015 European Council, in the context of the mid-term review of the Europe 2020 Strategy.

The Union has a clear and ambitious objective, which was endorsed by President Juncker: restoring the contribution of manufacturing to 20% of GDP by 2020.

To reach this objective, the Commission has been acting on four pillars: which also define the structure of the forthcoming roadmap. These need to be developed in an integrated and consistent way

Before I develop in greater detail the regulatory aspects, let me briefly address the three first pillars:

1) Access to inputs

Access to inputs includes access to finance, the preparation of skilled workforce and also access to energy and raw materials. Much has been done at EU level but we need to mobilise all our policies to improve the situation.

2) Access to markets

This starts with maximizing the potential of the internal market. It also includes global markets. The internationalization of European companies must be facilitated. Here also we are active, for example with the EU agenda for standardisation and the negotiations of over 12 trade and investment agreements.

3) Smart industry and innovation

To this end, we mobilise programmes and financial instruments such as the Horizon 2020 programme and the European Structural and Investment Funds. These are key to accelerate the adoption of smart technologies.

Talking about innovation necessarily brings us to "Smart Industry". This process, sometimes also called "Industry 4.0", represents the fourth industrial revolution and it is expected to significantly cut costs by reducing inputs consumption (in particular energy), and increase quality through higher customization.

To promote innovation the Digital Single Market must be completed, through a more ambitious harmonization and standardization policy. In addition, two Task Forces, on Advanced Manufacturing and Key Enabling Technologies, have been set up. Already several public-private-partnerships have a related purpose: Factories of the Future, SPIRE, Robotics and Photonics.

4) A business-friendly regulatory environment

The fourth and final pillar of our action is to set up a business-friendly administration, starting with a simplification of the regulatory environment. We share your assessment about the importance of a quality regulatory environment for the competitiveness of European companies.

The Commission is committed to promote smart regulation. Throughout the last decade, it has considerably reviewed its instruments to produce better regulation, to simplify existing regulation and to assess the impact of regulatory tools. It has already delivered concrete results in a number of significant areas:

The programme for the reduction of Administrative Burden overreached its objective of cutting 25% of costs attributable to EU legislation. It is now being continued with the AB+ programme that is more focused on national implementing legislation

The REFIT programme of extensive review of existing legislation in all domains is being implemented as is credited with simplification measures that concern 80% of regulations concerning the industry.

We will also follow up on the Top-10 exercise of identifying regulatory burdens, as well as implementing Cumulative Cost Assessments and fitness checks of legislation.

All legislative initiatives are preceded by an Impact Assessment covering the economic, social and environmental impacts and including a SME test and a competitiveness test. Such assessments, that are evidence-based and take into account the views of stakeholders, are published and inform discussions in Council and Parliament.

But more can still be done. In particular we recognize the need to strengthen IA methodologies despite the EC system being already considered a global benchmark. In addition to internal efforts, which are on-going, now under the direct responsibility of VP Timmermans, we would appreciate to have more direct involvement by the EP and especially the Council in submitting to IA any substantial changes that they decide during the legislative procedure. But we remain reserved about the need to set up IA bodies outside the law-making institutions as they could become easily the prey of vested interests.

III. The case of employment legislation

Employment legislation has been thoroughly reviewed in the light of the Smart Regulation approach. By the end of 2015 nearly all directives in the areas of labour law and OSH will have been subject to ex post evaluation. In some cases such reviews have given origin to policy action:

The best known case is the Posting of Workers Directive, where we concluded that it was urgent to improve enforcement of current rules and strengthen the administrative coordination between Member States in order to combat abuse and social dumping. The result was the new Enforcement Directive 2014/67 that is now being implemented. Here also we share the view that further action is still needed to facilitate cross-border trade and service provision, remove regulatory barriers and enable the mobility of workers.

We have also worked a lot on the Working Time Directive: we published wide-ranging studies to identify issues for possible review and analyse the impact of possible changes – but when it came to the revision of the Directive, the social partners could not agree among themselves on a compromise. It is now up to the Commission to pursue impact assessment work with the aim of identifying feasible options for a revision of the Directive. This work is aimed at providing solutions that respect the main goal of the directive – to protect the health and safety of workers - while allowing for greater flexibility and taking into account new work patterns and new needs from both employers and workers.

We have also carried out "fitness checks" of the legislation on information and consultation of workers, and on this basis we intend to consult the social partners on the opportunity of a targeted revision.

Forthcoming evaluation conclusions will include a review of the Directives on part-time work and fixed-term contracts, and of the Directive on Written Statement, a systematic evaluation of the Health and Safety legislative framework, and a targeted review of the Posting of Workers Directive. On all these files, as usual, the Commission will seek the views of the social partners. I would like to highlight that the Commission's aim is not to deregulate, but to better regulate. We are well aware of the controversies around the REFIT process. But I want to emphasise that the Commission is committed to promote the improvement of working conditions and is bound by the Treaty to do so. The delicate balance to be reached is how to reconcile this objective with the need to promote high levels of competitiveness in European industry.

We can certainly agree that the relationship between a company and its workforce is central to its competitiveness. We would further qualify this statement by saying that we need a healthy, qualified and motivated workforce. Flexible, proportionate EU employment legislation setting minimum quality standards across the Union can contribute to this goal to the extent that it ensures level-play and avoid a race to the bottom within the internal market.

The current legislative framework already covers a wide range of areas. It can still be improved and extended in order to address emerging risks that can seriously undermine the quality of working life if it is established that only regulatory means will work. However, as in the case of recent proposals on undeclared work and on traineeships, there is a variety of other policy tools that can be used in an innovative way

V. Social Dialogue

Let me conclude by saying some words about social dialogue. It is very reassuring that your policy document places the quality of social dialogue among the prime factors for a successful industrial policy. We certainly recognize the important contribution that CEEMET in particular has given to social dialogue through its very active participation since 2010 in the MET sectoral committee together with the Industry All union federation.

The importance you attribute to EU social dialogue is paralleled by importance given by the new Commission. You will recall that President Juncker has stated that he would like to be the President of social dialogue. Frequent references to the need to relaunch social dialogue in Europe were made by VP Dombrovskis and Com. Thyssen in their statements before the EP. The Commission is interested in discussing with the social partners how social dialogue could be made to deliver at its full potential in order to address Europe's very serious economic and social challenges. This includes discussing how could the Commission be more effective in involving social partners in economic governance, in law-making and in encouraging more relevant bipartite autonomous initiatives in areas where their expertise is crucial, while fully respecting the Treaty-based autonomy of the social partners.

This event organized by the European Forum for Manufacturing is certainly very timely and I hope that the discussion this evening will provide new ideas to reinforce industry's competitiveness and its role in the social market economy.

Thank you very much for your attention.



UWE COMBÜCHEN – CEEMET
DIRECTOR GENERAL

I. WELCOME:

Dear Members of Parliament, dear guests, Ladies and Gentlemen thank you for joining us this evening. We are very happy to see you here today, showing your interest in the future of European manufacturing industry.

May I thank Tatiana Esposito, from the Italian EU Presidency and Armindo Silva, from the European Commission for their interesting reflections on this evening's discussions.

Please let me also thank Member of European Parliament, Mr Ole Christensen for kindly chairing the debate this evening and demonstrating your support for European industry issues. I am Uwe Combüchen, Director General of CEEMET, the European employer organisation for the metal, engineering and technology-based industries. As CEEMET, we speak on behalf of more than 200,000 companies that provide employment for 35 million people.

Our sector coverage ranges from automotive to aerospace to machine tooling to medical instruments and everything in between.

Our sector is an economic and employment hub for Europe with around 3 trillion Euros in turnover and 35 million jobs dependent on the sector, responsible for over 50% of total spending in R&D.

CEEMET and its 23 member organisations are the recognized social partners on the employers' side – this means that we deal with issues primarily related to the workforce – from education and training, employment conditions, industrial relations and collective bargaining, to health & safety.

In short, we believe Europe needs “industrial competitiveness for a social Europe”. This is also the title of our manifesto that we tabled here today and which we look forward to discussing with you all.

II. CEEMET MANIFESTO “INDUSTRIAL COMPETITIVENESS FOR A SOCIAL EUROPE”

The EU has set the goal of raising manufacturing industry's contribution to EU GDP to 20% by 2020. It is ambitious. Today the contribution is around 15%. That is 5%-points in 6 years. Can we do it? We should try!

It is easy to see why this goal is set. Manufacturing industry is productive, technologically driven, high value, very often export led with high domestic content, offering well paid jobs and linked to the well-being of entire communities and countries. We know that there are many opportunities to be seized as manufacturing is growing globally.

In fact, an internationally competitive industry is vital for Europe to generate the growth and investments it needs. To ensure quality employment. And sustainable social security systems. This evening's discussions come at a critical time for the companies that CEEMET represents. It is crunch time for the EU, both politically and economically. After 6 years of crisis management mode, we have to swiftly rebalance the EU economy and deliver an industrial renaissance that enables manufacturing companies to invest, grow and create jobs *in Europe*.

It's a challenge. At the moment, the EU is lagging behind in terms of investment, economic output and growth.

How then can we focus on the industrial renaissance? How can we make Europe an attractive place in which to invest for jobs & growth? What type of conditions do we need at EU level to reach this goal?

Strengthening competitiveness is often directly done at company level. Much of it depends on the *ability* of companies and their workforces to adapt to change. However, Europe – and European policy makers and legislators – can help.

You can help set the *right* framework for this – the *right* employment and social policy conditions that will *support sustainable, competitive* companies that can *invest* in Europe and offer quality jobs.

I would like to mention a few key points: CEEMET's Manifesto focuses on three main areas for action at EU level:

1. A BETTER APPROACH TO REGULATION
2. DYNAMIC LABOUR MARKETS – WITH A SKILLED WORKFORCE
3. CONSTRUCTIVE INDUSTRIAL RELATIONS

1. Better regulation

There has been much debate on the need for a better approach to regulation and we are delighted that Commission President Juncker has appointed, and the European Parliament has approved, Frans Timmermans as First Vice-President for Better Regulation.

What do we mean by a 'better approach'?

First of all, let us be clear: we have to remove legal uncertainty to attract investment.

How? Like the high-level group on administrative burden, we would like to see concrete proposals for introducing competitiveness tests in all areas that impact industry.

We also want a common impact assessment methodology for all new legislation. We think the Commission should publish provisional impact assessments at consultation stage. We also want any changes brought by the EP or Council to Commission proposals to be subject to updated impact assessments.

An impartial expert Impact Assessment Board would help scrutinize all EU impact assessments, which will take evidence from all stakeholders, including business.

Much has been said about "better regulation". Now let's go on with it.

With the new streamlined Commission under the leadership of President Juncker and the new Parliament we are confident EU legislation will be improved, however the proof of the pudding will be in the eating.

2. Dynamic labour markets

What do we mean by dynamic labour markets?

We mean labour markets that are *adaptable and inclusive*.

That promote different forms of employment and where people have the skills that *match* those required by business.

Employers need *flexibility* to be able to cope with shifting economic conditions, technology development and changing consumer demands. Companies need to be able to adapt, for instance, working time. They also need to be able to adjust the size of the workforce through different forms of employment contracts.

We know that in our industry, on average 85% of employees are on open-ended, full-time contracts, but companies also need to be able to bring people in on a fixed-term basis – this is a *necessary* flexibility margin that *both* sides of industry recognize.

Increasingly, there is also a growing request from employees for greater choice in working arrangements. This is very important in the debate on how to reform labour markets.

Dynamic labour markets that support employment flexibility are crucial in creating new jobs and bringing down the unacceptably high levels of unemployment – and in particular youth unemployment – in Europe.

Therefore, we *have* to make sure that employment legislation at EU level and at national level facilitates flexible work and dynamic labour markets.

Simultaneously, positive action needs to be taken to support smooth employment transitions and employability. We do not believe that the currently debated European Unemployment Insurance, is a solution here.

3. A skilled workforce

On the issue of skills, CEEMET and its members in particular work hard to promote excellence in vocational education and training across Europe. We try to attract young people to study science, technology, engineering and maths subjects.

Education and training is mainly a national competence, but we of course see the increasing focus on this at European level.

This is evident not least in the significant budget increase for the Erasmus+ programme. Skills and competence are indeed a key aspect of competitiveness but currently we have a widely reported competitiveness gap in labour qualifications in Europe. And despite often too high unemployment levels, there are still unfilled vacancies in the MET industry.

We work every day on education issues – many of our members are directly involved in training at national, including at company level. Employers have a vital role to play here.

If the aim is to promote good quality education and training fit for 2020, the EU institutions *must* consult the major representatives of manufacturing industry. In particular on VET, to gain their evidence-based input.

Not least is this important in the current discussion on apprenticeship systems.

Fundamentally, you need companies with job and training vacancies and the confidence to take on learners. On top of education reform, this requires support for SMEs. It requires a policy environment that makes a country a competitive place for companies to operate and invest in. Often, it also requires a change in mindset about the purpose of education and training.

4. Constructive Industrial Relations

Finally, let me briefly also touch upon the issue of industrial relations and dialogue with industry.

We need well-functioning industrial relations to ensure a well-functioning economy. This is a fact. (2012 Commission employment report: Countries with strong industrial relations, fared better the crisis).

It is vital for competitiveness that working life is regulated by - or closely together with - industry at sectoral or company level. Labour issues, including wage setting, simply have to reflect company realities.

What does this mean for the EU level?

European social dialogue is an important tool, not only for the dialogue *between* social partners at EU level, but also for the involvement of social partners in EU policy making.

Understanding business reality and real competitiveness issues will *only* come from consulting *directly* with companies and those that *directly* represent them, in particular from manufacturing.

But *part* of that understanding *also* comes from respecting the principles of subsidiarity as well as the role and the *autonomy* of social partners.

This is particularly important in terms of economic governance.

The issue of EU economic governance is complex and challenging. Wage setting has become a subject of discussion in the economic governance structure. This is not useful as it stands. We need clear recognition of the role of social partners, in particular of the sector level, on this issue. How far can the EU go in country specific recommendations and macroeconomic imbalance procedures before social partner autonomy has been compromised and competitiveness removed from company realities?

So in summary, we call on you to pay particular attention to three key areas:

- 1.** A better approach to legislation - Europe deserves and needs a better approach to regulation. We have to ensure fit-for-purpose policies, active leadership and concerted efforts by all stakeholders, so that all EU policies which impact upon manufacturing competitiveness are fully aligned to the 20% objective.
- 2.** Dynamic labour markets - Access to skilled and dynamic labour markets, enabling (smart) R&D, innovation and job creation.
- 3.** Constructive industrial relations and dialogue - Improved cooperation between policy makers and industry.

Let us please therefore:

Focus on creating more jobs and not only protecting jobs.

Commit to reducing additional labour costs so that we, companies and workers, are not priced out of the market.

Support the implementation of labour market reforms which provide a balance between employment protection and competitiveness.

The industrial sector has so much to offer in terms of potential technology growth and wealth creation – it would be a pity for all of us to miss the opportunity.

We look to the European Parliament, as legislators and policy makers for the next 5 years, to work with us to create the environment needed for a competitive Europe. You have a very important role to play and Council, so that we can swiftly start delivering a genuine industrial renaissance across the EU.

Thank you.



MIRELLA CARLA BISTOCCHI
STARKEY ITALIA

The business field in which Starkey is positioned, is the hearing aids production. We are the Italian branch of the American multinational Starkey Labs, with a turnover of more than \$750 million. In my reality, are employed 37 administrative and 23 production staff and we have a turnover of €10 million per year. These numbers are just to give you the dimensions of our company. However, as far as our products are concerned, we produce quality goods, mainly high-technology medical devices, characterized by extremely small sizes. After production, each device has to be customized according to the needs and requirements of individual patients. So, through an industrial process, what we actually get is a single piece of customized craftsmanship, a tailor made piece.

A skilled craftsmanship inserted into an high-tech industry context.

My market is regulated by a specific Directive Law, number 93/42 in this present case, which has effectively standardized the medical device production flows, bringing them to a common European level (possibly worldwide). This has allowed us to appreciate the benefits of integrating quality systems, in order to guarantee our patients/consumers' safety.

So far, so good, then? Not at all!

Because every day, my company is facing ever increasing difficulties due to a system of logistic infrastructures, or if you want, logistic superstructures of limited effectiveness and, to make it worse, from a structural limitation caused by a low connectivity anywhere in my country.

Every day, from my workplace, I inevitably compare myself with my counterparts in other countries. Well, what I can say is that, out of my daily activities, a good 20% is systematically forced to be engaged into inventing solutions and overcoming obstacles. All this huge effort is needed in order to access the market and it sums up to all the direct and indirect costs of our system, making it even more difficult for us to face global competitiveness. As we all know, in Italy, the tax burden on labour costs makes us "unfair" in relation to other countries, as well as to our own employees!

My reality had to be redefined in the last ten years, to be more flexible but also to be able to re-invent and innovate.

I'd like to emphasize that these structural limitations, by now chronic and traditionally persistent in my country, are deeply rooted into the social and economic fabric and have lead, over the years, our enterprises to find more and more individual solutions to these problems. Every company or entrepreneur has faced these problems basically alone.

What I would like to draw to your attention is the desire and the need as as a manager to do network, to do system, to share experiences in order to find solutions to the benefit of all.

The need and will to network is huge. But, this is not my only concern.

My fear is that the lack of system will result in a failure of all parties involved (companies, institutions) or - I'd better say - in their "paralysis". I'm afraid that solutions for these problems will keep on having an individualistic nature, being left only to personal initiatives and responsibilities, as mentioned before.

Let's collaborate and put our strengths together. We have the power to create an efficient system. Let's identify the tools, even of a coercive nature if needed, in order to support our companies in their networking journey. This is the only path leading to rewards and real benefits for our entire community.



MARTINA DLABAJOVA
MEP

As a new member of the European Parliament and the Parliamentary Committee on Employment and Social Affairs, I find the topic of youth employment and matching education and training with skills and jobs very important. Daily work within the Committee is a constant clash of views on how to tackle the current concerns around employment in Europe, in particular youth unemployment.

One priority is to allow job creation. To achieve that, we need a healthy economy. Artificially created jobs will disappear as fast as they were invented. Another equally urgent nut to crack is how to narrow the skills mismatch in the EU. As long as we cannot fill the vacancies and direct a growing number of unemployed people into those jobs that are actually available, then our economy will remain in a standstill. This is a strategic decision that depends on the education system and the links between our schools and businesses. This is a matter of Member States taking a responsible grip and ownership of its own resources to help our young people to accomplish their visions and goals in life.

To achieve this, cooperation between the state (education) and businesses (in particular SMEs) is needed. We should enable young people to find a job suited to their education, skills and experience or to acquire the education, skills and experience that is directly relevant to increasing their chances of finding a job in the future. We need to start asking the companies what they need, what skills and knowledge they seek in a potential employee and form the education system towards these needs.

In September this year I had the honour to give patronage to an event Crafts' Day that took place in the Zlin Region (Czech Republic). This event was organized by local companies together with Regional Chamber of Commerce and its aim was to attract young people to take interest in technical disciplines and traditional crafts. Children and their parents had a chance to visit the working premises of the companies, meet the management, and get acquainted with the production lines and craftsmen in action. Through this activity, the companies wanted to point out the lack of skilled workers in the region and to show how young people could help in the future to fill this gap.

But of course this issue is more complex and needs to be dealt with also at the European level. Youth unemployment across the EU is still at an alarming level: 23.1% in EU states with some disturbing differences between Member States (7.8% in Germany and 53.5% in Spain).

Steps have been taken to mitigate this. Two new programmes were introduced to support young people in the EU. Youth Guarantee programme for young people seeks to ensure that all young people under 25 get a good-quality concrete offer within 4 months of them leaving formal education or becoming unemployed. The good-quality offer should be for a job, apprenticeship, traineeship, or further education and be adapted to each individual need and situation. Recently, 18 pilot projects have been introduced. These projects focus on specific ways to guarantee young people getting into practise, e.g. through strengthening links between schools and employers, and improving support for young people in the context of public employment services. The second programme is the Youth Employment Initiative (YEI). The Youth Employment Initiative aims to support young people not in education, employment or training (NEETs) in the Union's regions with a youth unemployment rate in 2012 at above 25% by integrating them into the labour market.

I believe that we also need to make concrete steps to motivate young people to be responsible for their future career and achievements. That is why my team and I work on a motivation traineeships project that aims to motivate young people through introducing them to successful managers and entrepreneurs to demonstrate how businesses work. This topic is not only an important part of my activities as the Member of the European Parliament, but it also represents a strong coordination and communication platform that we want to implement, first in the Czech Republic and later in the wider multi-national perspective. This project of motivational traineeships was created primarily to contribute in a tangible way to the work I pursue as the Member of the European Parliament in the Employment and Social Committee.

In the Czech Republic, the unemployment rate of young people under 25 is almost three times higher compared to the national rate. That is why the project is focused on this particular age group. In the future, we would like to gradually expand this project. Successful trainees can motivate other people and prove that it does make sense to actively care about their future career perspectives and opportunities. The objective is the early prevention of unemployment of young people by challenging their talents and encouraging them to choose an active approach to their professional life instead of relying on passive state financial support at an early age.

I believe that the best practice example is an extremely important part of fighting youth unemployment. We want to motivate young people to take care of their lives. We want to help them fulfil their dreams and show them that nothing is impossible if you work hard.



ROBERT VAN BEEK
FME CWM

Good evening ladies and gentlemen My name is Robert Van Beek and I work as a Policy advisor in Occupational Health and Safety and Environment at FME, the Dutch member-association of CEEMET.

FME represents 2.400 companies with 225.000 employees and a turnover of 60 billion euro. Tonight, I would like to demonstrate that existing EU H&S legislation can be simplified while maintaining Health and safety standards CEEMET believes, that regulatory simplification is

urgently needed through the establishment of a single EU regulatory framework covering both occupational health and safety and environmental exposure to chemical substances and materials.

Employers must comply with the following five different pieces of EU chemicals legislation: **Chemical Agents Directive (CAD)**, **Carcinogens and Mutagens Directive (CMD)**, **REACH** - (Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals) **Seveso Directive** and the **Classification, Labelling and Packaging (CLP) Regulations**. On top of this they have to comply with OSH legislation.

The existing EU framework is confusing, is overlapping and not co-ordinated. It's also too complex for most employers and especially for SME's. **The gap between Chemical legislation and OSH is huge**

We all know the saying: Men are from Mars and women are from Venus. I compare this with REACH and occupational safety and health (OSH). It's like two different planets which we need to link together. This may sound like an impossible mission. But perhaps it isn't!

FME Survey on the use of chemicals

Recently, my organisation carried out a survey on the use of chemicals by Dutch Enterprises. It was triggered by a cost saving project on REACH and OSH legislation, in cooperation with the Dutch government. REACH forces chemical companies to produce a lot of paperwork and Safety Data Sheets (SDS), which includes exposure scenarios. The result is that extended SDSs have mounted to more than hundred pages on average.

Dutch Labor Inspectorate obliges enterprises to take the following four steps:

- 1: Make a registration of chemicals**
- 2: Make a risk assessment of chemicals**
- 3: Implement measures**
- 4: Assurance (Borging)**

The problematic one is the second: risk assessment. In this step, an SME has to determine how long an employee can work safely with a chemical under specific working conditions. For example, can an employee work safely with or without gloves for 10 minutes, for 1 hour or for 8 hours? Does the worker inhale vapour? Which measures are to be implemented by the company?

An SME doesn't have the expertise to work with complex chemical names, databases or occupational exposure limit (OEL) values. How do they know the difference between an OEL under OSH legislation and a DNEL (derived no effect level) under REACH?

For example in a SME surface treatment company with 20 workers. Who is going to fulfil this task? The owner who already works more than 60 hours a week, or one of the blue collar employees? Last year, the Dutch Labour Inspectorate visited 80 SME's, of which 72 did not comply; a confirmation that that the present system is too complex and too expensive. The FME survey showed that the average compliance costs per Dutch company are 40.000 euro. With 2.000 companies this totals to 80 million euro.

For the Netherlands as a whole, this represents costs to be around 400 million euro, this is not acceptable. Yet at the same time, non-compliance is not acceptable either.

We need a different approach!

Solution

For example, the process for a surface treatment company in Amsterdam is practically the same as for a competitor in Rotterdam. So this means the risks are also basically the same. Therefore, if we skip the individual obligation of each company to provide an individual assessment we:

- a.** avoid spending such a huge amount of money and
- b.** we can work safely with chemicals.

This can be done by providing general safety rules based on an assessment by their branch association. So instead of doing the assessment at a company level this should be taken to a much higher level. If we can agree on this approach, the system becomes easier, cheaper and the safety increases. The main reason for increased safety is simple – to provide safe working conditions for employees. The management of a SME company does not always understand the complexity of chemical issues. But it is possible for them to check if employees take precautionary measures such as wearing gloves, ventilation, or use respiratory protection. This will also make the enforcement by the Labor Inspectorate much easier.

So what do we need?

1. SMEs and business in general need a simplified EU regulatory system for health and safety risks from exposure to chemicals. This would lead to greater understanding, more consistency and predictability for employers and SME's who operate in this very complex regulatory environment.
2. Simplifying and consolidating the existing regulatory framework will have the added value of reducing administrative burdens and compliance costs, thus improving EU competitiveness globally.
3. We need to align REACH and OSH legislation. SME's don't need more guidance or tools. We need simplification and the example I mentioned above indicates it's possible. I mentioned the saying: Men are from Mars and women are from Venus. Two different planets, I compare them with REACH and OSH. How can we join both? It sounds like an impossible mission. So we have

to think differently. If we replace Venus and Mars by the mythological figures a marriage is suddenly possible. So I propose a marriage between REACH of Mars and OSH of Venus.
I thank you for your attention.



SOFIA RIBEIRO
MEP

I'd like to thank the European Forum for Manufacturing and the Council of European Employers of the Metal, Engineering and Technology-based Industries for this opportunity to be here, among you, sharing my ideas and thoughts on how to create jobs and growth.

Europe is facing the risk of becoming completely old. An old continent, with old people, old ideas and old thoughts on investment. To prevent this, we need to focus on innovation, on research, investing in a quality education, and providing our companies and industries the means to capture the most highly skilled young people.

In its concepts, Europe's 2020 Strategy is the perfect response to this challenge. But the question is: how can we assure that we are able to reach its goals?

In my point of view, we need both to invest on education and to provide our enterprises the capacity to be competitive. Since the investment on growth and job creation is directly connected to the investment on high-skilled workers, in order to be competitive in a global world and in a global economy, we need to focus both on education and on job skills.

First of all, we have to discuss what kind of education we look for. We need to analyse our school curriculums in order to reduce the gap between our youth's skills and the enterprises' needs, and pay a special attention to the vocational training, since that is a very strong criticism that is made to the educational system at the European level.

In the European Semester governance discussion, we have to point out that the European path for growth and job creation is the investment on innovation and on research, enhancing our enterprises to capture high-skilled workers.

Research and innovation allow us to identify the value of our goods, to cut on the a. Otherwise, we would jeopardize our goal of growth and social development. Public expenditure needs to be reshaped in ways that enable us to the 2020 vision.

We don't have to go too far to recognize this. The austerity policies have resulted in tough cuts in social spending, in fundamental areas such as education, health and pensions, resulting in unprecedented levels of inequality and poverty in the EU, which contribute to lead us to a lack of competitiveness. Europe as a whole is facing the problem of a lack on education for a significant mass of young people: 12,8% of them quote the secondary school system and only 35,8% of those young have a tertiary degree, with is alarming while comparing to the 40% in the US and the 50% in Japan, concerning the rates of higher studies.

We also need to be aware that due to the economic and the social crisis, many of European's most skilled young's, with a master degree, have migrate to other countries, outside the EU, for the simple fact that we couldn't provide them proper working conditions, adequate to their level of instruction, subjecting them to precarious work. To mitigate that, those who dedicate themselves to science and investigation cannot be treated by member states like simple services providers.

In spite of public efforts, enterprises should be encouraged to hire the most qualified, enhancing oriented research with the purpose of creating businesses innovation, not only by accessing to Horizon 2020 programs (to which I emphasize the importance of the overall 80 billion Euros funding predicted), but also getting tax cuts or other fiscal benefits.



JURGEN SIEBEL
SIEMENS AG

From an industry perspective, as a citizen, and as a father, I am concerned.

Youth unemployment has reached record levels – at the same time, companies cannot find enough young candidates with the required qualifications to fill their vacancies, in particular in STEM.

This is a threat to society and to competitiveness of industry.

To fight youth unemployment, we need growth – full stop. We need a strong industrial base providing demanding jobs that add value. In other words: we need a strong manufacturing footprint.

In Europe, we see signs of a recovery. That's the good news.

To avoid a job-less recovery, we need labour-market and education reforms, getting rid of rigidities, and increasing the employability of the young.

What needs to change in our education system? The OECD says: increase tertiary attainment rates! Accordingly, the EU 2020 strategy sets a headline target that at least 40% of 30-34 year olds should have a tertiary or equivalent qualification by 2020.

Spain has already reached this target, while Germany is 10% points behind. Youth unemployment in Germany is around 7-8%, while in Spain it is above 50%

Of course there are obvious reasons beyond the tertiary attainment rates. However, I dare say that “more of the same” in education is not suffice.

To deal with the problem of youth unemployment and unfilled vacancies, the education model of the 21st century needs to address three content-related challenges, and establish three paradigm shifts with respect to methodology.

Let's start with the content:

In primary and secondary education: we need curricula elements in support of building awareness and curiosity for STEM subjects.

In secondary education: we need curricula elements in support of entrepreneurship – Note: not every pupil needs to become an entrepreneur, but every pupil needs entrepreneurship education.

In secondary and tertiary education: we need curricula elements in support of the learner's employability.

And now for the required changes in methodology, the first of which is already unfolding strongly:

From primary to tertiary, the learning delivery and experience becomes more and more virtual – flipped classrooms, MOOC's; etc. – this provides to be highly effective in teaching theory and, as a side effect, media competences.

Latest with post-secondary, education will have to go where the learner is, not vice-versa – this will be a challenge to be established education institutions, as they will have to review and change their delivery and business models.

Beginning with upper secondary, a significant part of the learning experience must be work-based – in pursuit of making the learner employable, he or she needs a chance to develop real-world solutions to real-world problems.

The first of the three paradigm shifts in methodology – virtualization – draws the most attention: it's new, techie, sexy. Furthermore, it erodes the business models of established providers, such as universities- Why pay Harvard if the Khan academy is free?

Yet, virtualization alone will not contribute significantly to the creation of employability – to achieve employability, we need the second and third paradigm shifts: taking learning to the context in which the learner happens to sit, and making the learning experience more work based.

Ironically, the models for this are neither new nor do they seem sexy – they have been around for 500 years plus. I am talking about apprenticeship.

The fundamental idea of apprenticeship-like education is the duality of theory taught in class rooms and practical experience gained in companies. The latter cannot be virtualized. You can learn everything about, say, project management from a book or in a MOOC – What

you cannot learn from a book or MOOC is that in every project team there is a sociopath...

Through work-based training – and in particular through the alternation between classrooms and company, between theory and application – the learner obtains the hard and soft skills needed in Industry.

But apprenticeships – isn't that a second-class education for second-class kids, for those that can't make it to University?

That's just one myth. Here a few more:

- It's for blue-collar jobs only
- You cannot get into management, not to mention executive jobs
- Internships are equally good
- it's a German model and only works in Germany

But the trick is not to copy the classical German model – the trick is to extend the duality of theory taught in classrooms and practical experience gained in the work place to other education models, including secondary –school and university curricula.

Consider a dual studies program offered jointly by a University and a company : after just four years, the learner will have earned a bachelor in electrical engineering, a Chamber of Commerce certificate as an Electronics Technician, will have had x months of applied learning in a vocational-training centre, y months practical, but curriculum-based experience in various company departments, z of which abroad.

Such a program exists – and it is far more than apprenticeship.

The graduates are more mature, better trained, highly loyal, and operational as of day One. Last but not least, they exhibit no skills mismatch.

Beyond the single company, everyone benefits from such models:

- Consider the university: it offers a component that cannot be virtualized, a component that is under threat, a component that increases the value of its program.
- Consider the learners: for them, work-based education provides the hard and soft skills valued in the market place, and it helps them to transition smoothly from education to work life.
- Consider Society: Work-based models are highly effective in attracting investment, job creation, and – hence- in fighting youth unemployment and all its negative downstream effects.



ANTHEA MCINTYRE
MEP

Ladies and Gentlemen, Good evening,

Better Regulation

This evening has a well-constructed programme and I am delighted to speak about better regulation.

From the SME test, to REFIT and the Top Ten most burdensome EU laws for SMEs, much has been achieved and there is a wide consensus about the positive contribution better regulation can make. There is more to do and tonight's discussion is very timely with a new Commission now 5 days old, with a new structure and clear focus on growth and better regulation.

The structure of the Commission may take some time to bed down, but it points to a more efficient College, and a First Vice-President responsible for better regulation is very encouraging.

At his Hearing in the Parliament on 7th October, Frans Timmermans was very clear in setting out the importance he attaches to better regulation. He said; "My first task is to make sure that every commissioner carries out better regulation... we will be able to reduce legislation where it's not necessary..."

"Better regulation is not deregulation, it is not ideologically driven. It is about reducing unnecessary 'red tape', especially for SMEs, it is about making it easier for people to start a business, to hire more staff, to create more jobs. It is about removing administrative burden, duplications, unnecessary or outdated legislation. And it will fail if it is an attack on social rights or environmental protection."

No legislator, or regulator, should make rules for their own sake. To make setting-up or running a company more costly or time-consuming not only damages European companies and European competitiveness, it damages the career prospects and prosperity of our people.

SMEs are the backbone of the economy responsible for 85% of newly created jobs and account for 67% of all private sector employment in the EU. Often, they are also an essential element in the supply chain for larger companies.

A 25% reduction of the administrative burden on SMEs could lead to a 1.4% growth in the EU's GDP. Simpler, better regulation has a huge potential in making Europe more competitive, more prosperous with more in employment.

The work of the business taskforce in the UK, and the COMPETE principles they recommend in their "Cut EU red tape" report, are a very welcome contribution.

In the last plenary session before the European elections the Parliament adopted a Report which I took through the Employment Committee on "How can the EU contribute to creating an environment for enterprises, businesses and start-ups to create jobs?"

The Report which is available at the entrance has sections on: job creation, skills, entrepreneurship, demographics, market access, finance, labour market, SMEs and micros, and better regulation. The report also contains some recommendations for the Commission and Member States

- The report highlights the fact that it takes between 4 and 40 days to start a business in the EU.
- Better Regulation Section (on p.22) includes the following points:
 - Regulations should be clearly worded and simple to implement
 - EU policies should be better co-ordinated when it comes to the promotion of SMEs and EU and national policy should take greater account of SMEs
 - Low cost, simple and quick start-up procedures would help young companies.
 - Points on health and safety to return to later tonight.
 - Call for Member States to remove obstacles which stand in the way of small businesses benefiting from European structural and investment funds
- Recommendations from the Report with reference to better regulation include:
 - Speedy reduction of the regulatory burden on SMEs
 - Exclusion on micros from the scope of new legislation unless there is a need for them to be covered
 - Recommends MEPs make full use of the EP's Impact Assessment and European Added Value Directorate to scrutinise proposals
 - Social Partners should refer agreements which propose legislative action to the Commission's Impact Assessment Board
 - Reminds Member States of their commitment under the Small Business Act to make it possible to start a business within 48 hours

- Calls on the Commission, under REFIT, to check all legislation is fit for purpose and identify inconsistencies or ineffective measures

In the ECR Group we have just established a Better Regulation thematic Working Group which I have been asked to Chair. It is my intention that our work should focus on how we can play a constructive role in this area of reform and concentrate on practical results for employers and employees.

To conclude: What does better regulation mean? Mr Timmermans again:

“What does it mean to me... to me it means that somebody who has a bakery is no longer wasting a half a day to fill in forms, to do the same thing for three different instances, and he or she can operate the bakery, make a bigger profit and hire two or three more people to work in that bakery. That to me is better regulation.”

That is what better

CONCLUDING REMARKS BY OLE CHRISTENSEN, MEP

We have had many good inputs today.

From my own country, Denmark, I know how important it is to create manufacturing jobs and at the same time ensure high health and safety standards for all workers.

I think we are all interested in one thing: growth and quality jobs. We should maintain the balance between attractive conditions for businesses and decent working conditions for employees.

(As we have learned today) there may be different views on how this should be achieved. However, I think most of us can probably agree that the manufacturing sector has an important part to play.

Again, thank you for all the good inputs.