

PRESS RELEASE**Flexicurity: a step in the right direction, but beware of definition of abnormality**

In the context of the modernisation of the European labour market, EUROCHAMBRES welcomes today's communication by the European Commission on "Common Principles of Flexicurity", in so far as it focuses on flexibility and on trying to create a favourable legislative and non-legislative environment which reflects the real needs of employers.

Flexibility is a key factor in achieving higher productivity and in managing the significant demographic challenges in Europe.

Overall, EUROCHAMBRES sees flexicurity as a step in the right direction, but a number of questions remain open:

- EUROCHAMBRES is concerned that open-ended contracts should be the overall reference norm. Non-standard contracts should not be considered abnormal by definition as they offer real opportunities and the possibility to bring "outsiders" back into the labour market.
- The system isn't cheap: Denmark, the reference model for flexicurity, spends about 4.4% of its GDP/year on supporting and retraining the jobless, making it one of the most expensive labour-market policies in the world. How could the Flexicurity approach be financed in other countries? EUROCHAMBRES asks the Commission to give clearer benchmark proposals on the pathways that might be followed by Member States to implement flexicurity in countries which have different social models and tax systems.
- Upskilling the workforce and lifelong learning are a crucial element of the flexicurity approach. However, how will the burden for comprehensive lifelong learning strategies be shared? Member States should find creative solutions on how to share expenditure for lifelong learning between companies, individuals and the public sector.

On this latter point, Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, stressed: *"Training poses a particular difficulty for SMEs, as personnel are often their most valuable and limited resource. In order to enable real flexicurity, training – particularly in-company training – should be supported by public policy and investment, including encouragement for tax incentives."*

European Chambers urge Member States to keep these questions in mind to make flexicurity practical, and offer their full support in trying to find the most suitable and workable answers.

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