

H.E. Mr. António Guterres
Prime Minister of Portugal
Presidency of the European Union Council of Ministers
Rua da Imprensa à Estrela, No. 4
1249 -888 Lisbon
Portugal

25 February 2000

Your Excellency,

Recognising the value of ideas and solutions that the private sector can offer, your special advisor, Ms. Maria João Rodrigues invited, on your behalf, business leaders to contribute their insights and proposals to the European Summit on Employment, Economic Reforms and Social Cohesion to be held in Lisbon on 23-24 March 2000.

As business leaders with a strong commitment to meeting the dual challenge of economic competitiveness and social cohesion, we fully adhere to the opinion expressed recently by Commissioner Anna Diamantopoulou in the European Parliament, that with regard to social cohesion and corporate social responsibility, the EU has enormous under-used potential which it needs to apply, not only to raise employment levels but also to develop exemplary, sustainable and equitable societies.

The focus of the Lisbon Summit offers an ideal opportunity to bring these issues to the fore and mobilise a variety of economic, social and civil partners in the debate. To emphasise the input of business organisations, individual companies are keen to share their own experience and ideas. We would therefore like to thank you for taking the initiative of this informal consultation with business leaders. We would also like to thank President Romano Prodi and Commissioner Diamantopoulou for their strong support.

In response to your invitation we are pleased to submit to your attention the attached paper: *For an Entrepreneurial and Inclusive Europe – 12 Proposals for Action*. The document outlines major drivers, challenges and opportunities for Europe as we enter the new millennium. It describes examples of best business practice which demonstrate the potential of corporate social innovation and of new social partnerships. Conscious of the need for practical solutions and tangible goals, we are particularly pleased to put forward a set of concrete proposals for closer collaboration between European governments and businesses.

The paper takes as its starting point the economic and social transformations brought about by three key forces: the rise of the knowledge economy, market globalisation and demographic change in Europe. These changes offer new opportunities; but they also pose serious challenges. The opportunities include exploiting the full potential of new markets, new technologies, new products and services; the challenges lie in societal problems that these transformations can exacerbate or create. The major challenge is to promote the competitiveness of business while at the same time working to improve employment and employability and protecting the most vulnerable members of society. We cannot build a prosperous society without profitable business. But neither can we build a competitive economy in a social wasteland.

The paradox of high overall unemployment and growing labour shortages in certain sectors of the European economy points to an urgent need for structural reform. The ability of the knowledge economy to spur growth and employment has been proved, especially in the United States. To take full advantage of this, Europe must re-skill itself and adapt its educational systems accordingly. If it does not do so, Europe will not have enough skilled people to fill, for example, the 1.6 million job vacancies that are expected in the information and communication technology sector by 2002. In addition, a deeper cultural change is needed to stimulate an individual spirit of continuous learning and entrepreneurship.

Imbalances in the labour market must also be addressed. Key causes of these are demographic trends - the population is ageing - and the underutilisation of large sections of the workforce. Correcting them will mean encouraging both internal and external migration and mobility in Europe while improving the participation rates of groups such as women, the disabled, ethnic minorities and older workers. If economic growth and social cohesion are to be secured during a period of significant migratory flows, measures will be needed to promote the successful integration of increasingly diverse population groups.

Many companies, such as those which we represent, not only fulfil their responsibility to maintain the employability of their workforce but are also involved in training and offering valuable work experience to

young people, the unskilled, the unemployed or other groups at risk. Many have put in place active strategies to promote equal opportunities and diversity in both the workplace and the community. Experience shows that reaching out to untapped reserves of skills and talent brings a company new ideas, different perspectives and creativity. In today's global marketplace, diversity is a competitive advantage.

We are aware of European governments' efforts to make labour markets more flexible and help raise the skill levels of both the present and the potential workforce. Initiatives such as the European Strategy for Employment and national action plans can be enriched by the experiences of innovative practices around Europe.

As the European Union is poised for a period of economic growth, it is now more important than ever to take full advantage of these opportunities and address the underlying structural imbalances. The proposals that we set forward in the attached document focus on concrete areas where the synergy between business and government action can be most effective:

- **Building a knowledge society for all**
 1. Targets for expanding access and use – 50% of the European population by end 2001 - of information and communications technology, and systems for monitoring progress
 2. A task force on the training needs of the information society
 3. An appeal and joint action plan to mobilise business action throughout education
- **Developing a culture of communication and learning**
 4. A coherent system in Europe of best practice databases accessible on the internet
 5. Voluntary social reporting by businesses
 6. Best business practices to be incorporated into National Employment Actions Plans
- **Expanding leadership competencies**
 7. Teaching of corporate social responsibility at universities and business schools
 8. Financial sector to widen access to capital and promote socially responsible investing
- **Investing in partnerships**
 9. Developing a favourable public policy framework
 10. Scaling up and applying successful models to future projects
 11. Regular meetings between and "Seeing is believing" visits for business and governments
 12. Research into successful partnership models

We wish to underline our commitment to a continuing debate and exchange of experience with all relevant actors, in particular governments, social partners, and civil society organisations. This could be in the context of the regular European Union summits as well as in other special meetings and fora.

Finally, we are convinced that the development of a more entrepreneurial culture in Europe is a key precondition for improving employment and social cohesion. We are, therefore, interested in working with governments and EU institutions to explore how best to achieve this cultural change. Possibilities for action include a European Year or a pan-European campaign to promote the spirit of entrepreneurship for a more innovative and inclusive Europe.

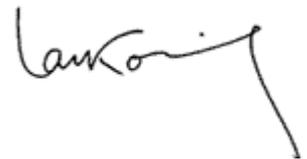
Thanking you once again for having initiated this informal consultation with business leaders, we hope that this contribution will provide useful input to the upcoming Summit and we would like you to convey to all the participants in the Lisbon summit our wishes for successful results. In the meantime, we look forward to meeting you on 8 March 2000 in Lisbon.

Yours sincerely,

Etienne Davignon
President
Société Générale de Belgique
Chairman, EBNSC Advisory Board



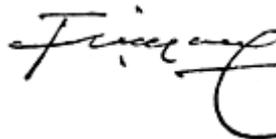
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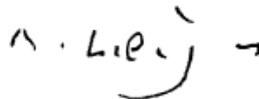
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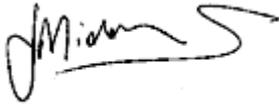
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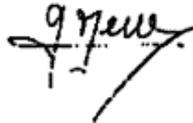
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