



# Employment and Labour Market Policy

## The role of the Europe

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# Instruments of European Employment policy



1. European Employment Strategy
2. Monitoring & Analysis
3. Financial Support (ESF, EGF)
4. Minimum Standards & Harmonisation
5. Information





The **subsidiarity principle** limits European interventions in the area of employment and social policy

=> unlike in agricultural or competition policy the Commission has in this area very limited competencies.



## Financial support: ESF & EGF



- 2007-2013: ~ € 75 billion will be distributed to the EU Member States and regions
- $\frac{3}{4}$ : convergence of the poorer regions (up to 75%),
- $\frac{1}{4}$ : regional competitiveness and employment (up to 50%)
  
- Up to 500 million Euros/year: EGF (European Globalisation Adjustment Fund – 50% support)
- Mass lay-offs (> 1000 employees)
- E.g. mobile telecommunication, car manufacturing



## Minimum standards and Harmonisation



- Transferability (compatibility) of social insurance schemes (health/unemployment insurance, pension schemes)
- Equal opportunities, antidiscrimination
- Information and consultation of workers
- Working time directive
  
- Social dialogue





- Campaigns related to occupational health and safety
- Initiatives to promote & facilitate workers mobility
- Fight against discrimination
- Editing information material
- ...



- Lisbon **Strategy** (2000)

- Employment Guidelines
- National Reform Programmes
- Joint Employment Reports & Country Specific Recommendations

## Flexicurity

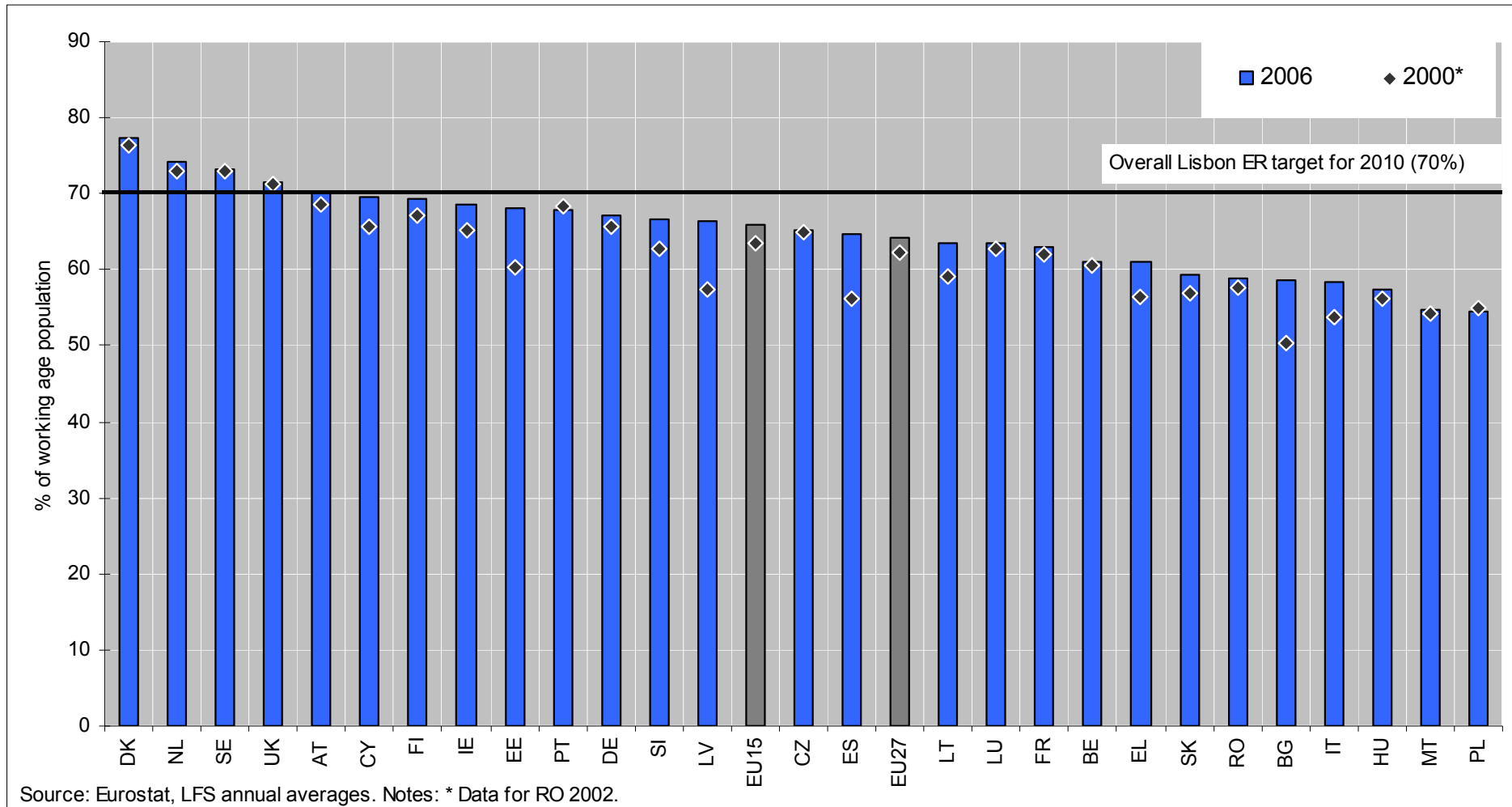
Open **method** of coordination



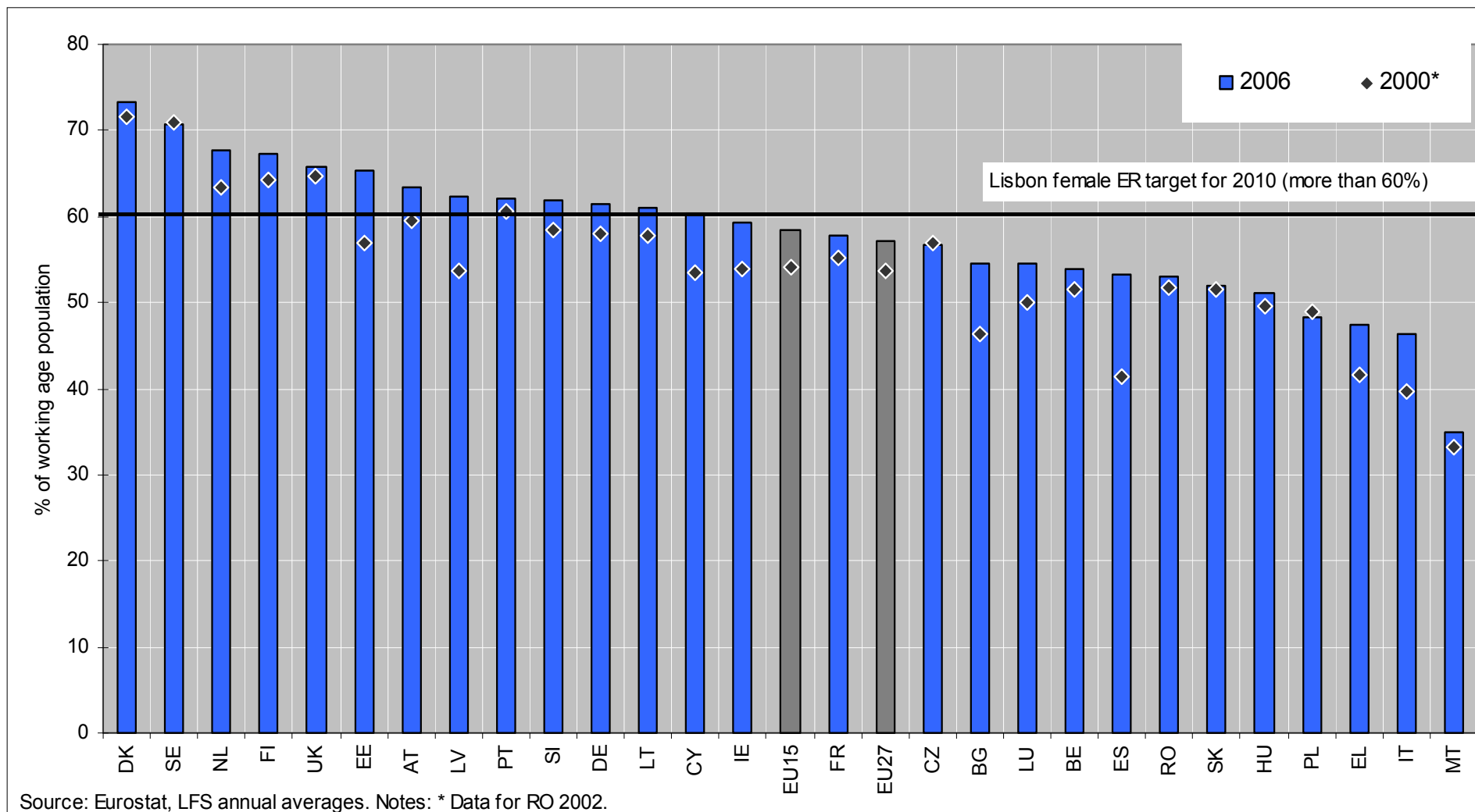
- More & better employment
- Strategy of growth, more RTD
- Labour market objectives, till 2010:
  - 70% overall employment rate
  - 60% employment rate of women
  - 50% employment rate of elderly workers (55 and older)
- Taking up the demographic challenge – reforms of the national social security systems



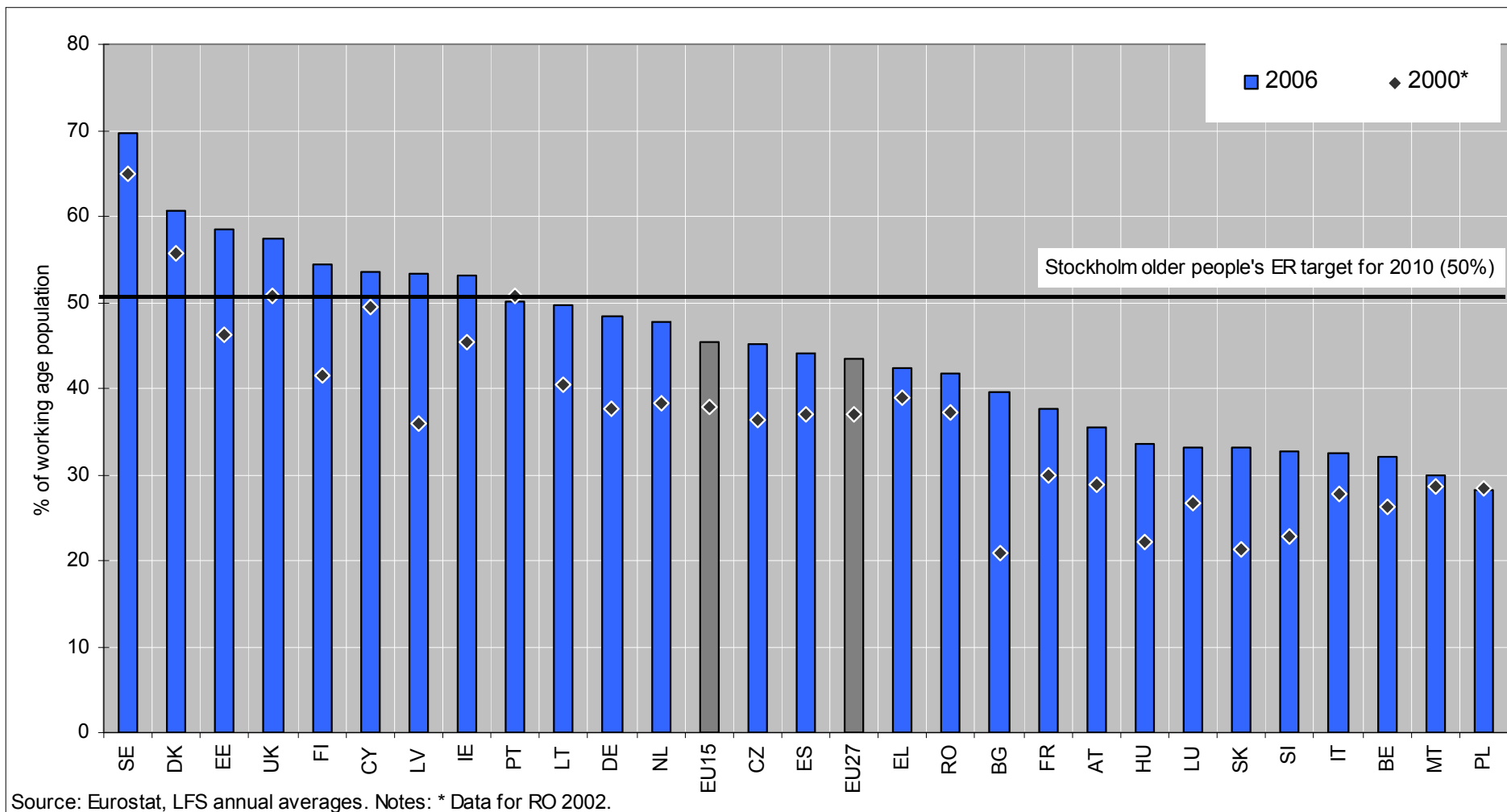
# Overall employment rate for EU Member States (2000 & 2006)



# Female employment rate (2000 & 2006)



# Older people's employment rate (2000, 2006)





No. 17 – 24 of the integrated guidelines address employment

17. Implement employment policies aiming at achieving **full employment**, improving **quality and productivity** at work, strengthening social and territorial **cohesion**
18. Promote a **lifecycle approach** to work
19. Ensure **inclusive labour markets**, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive





20. Improve **matching of labour market needs**
21. Promote **flexibility combined with employment security & reduce** labour market **segmentation**, having due regard to the role of the social partners
22. Ensure employment-friendly **labour cost developments** & wage-setting mechanisms
23. Expand & improve investment in **human capital**
24. Adapt **education & training systems** in response to new competence requirements

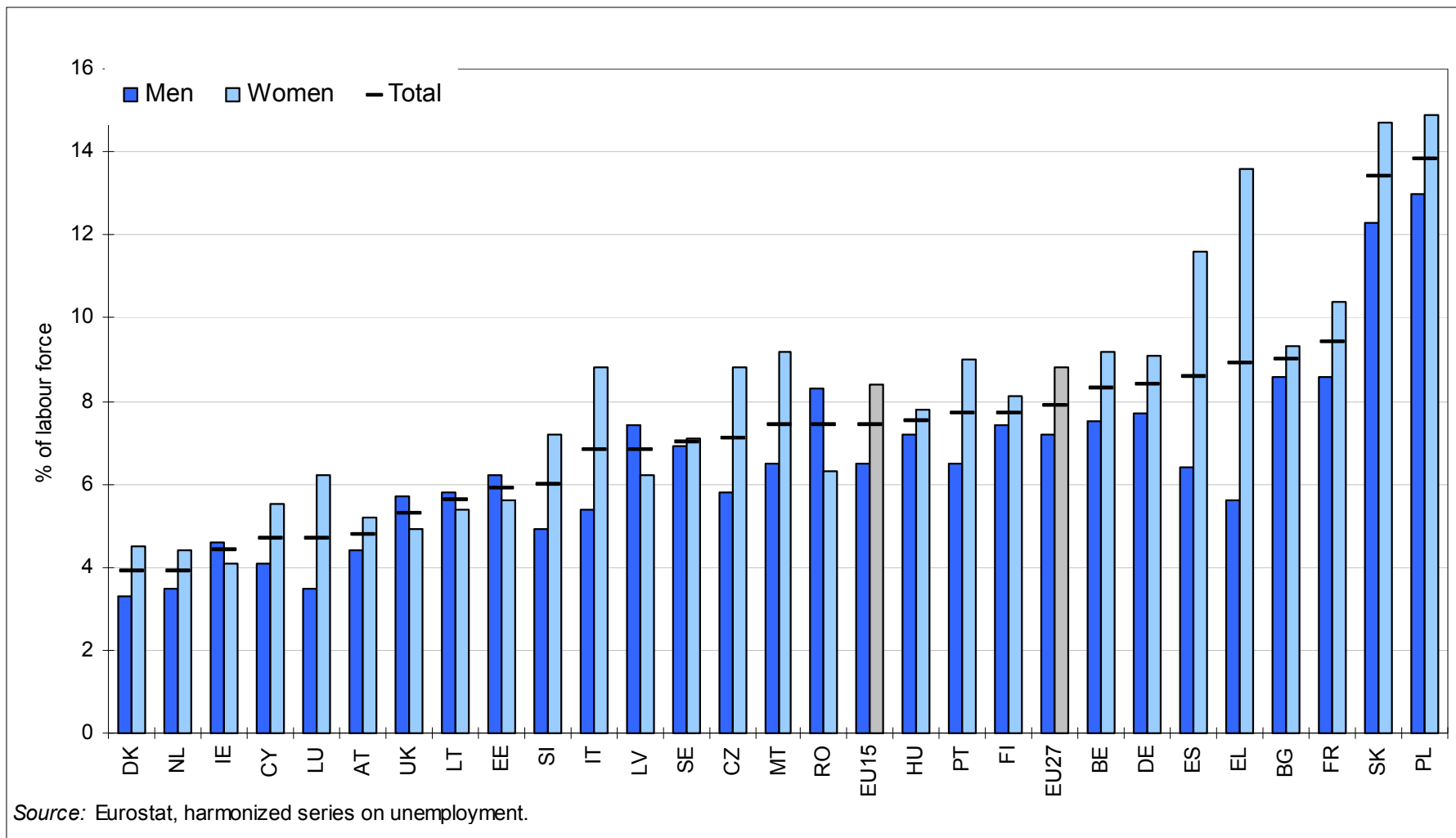


## Targets and benchmarks – defined in the Guidelines

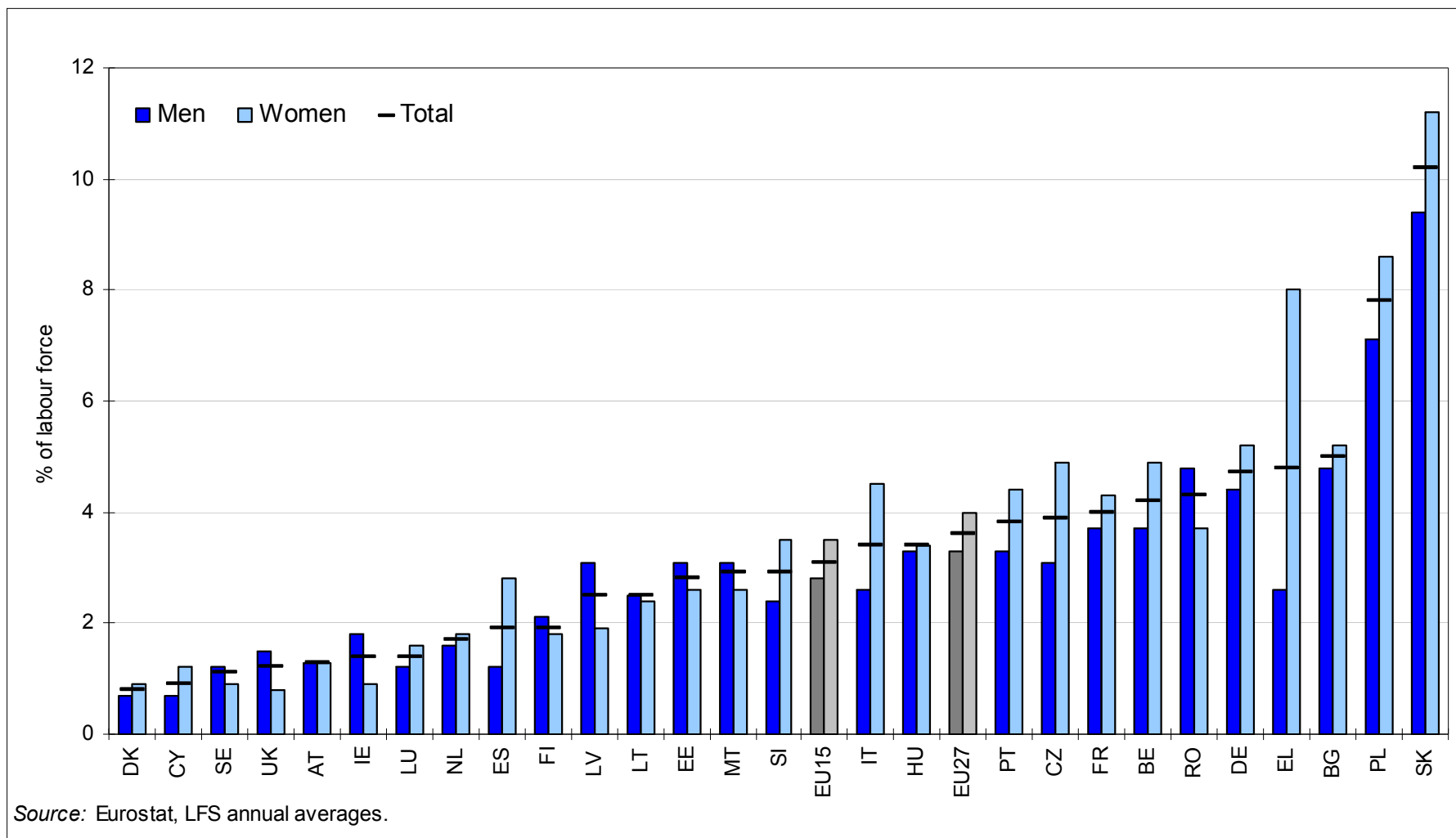


- every unemployed person is offered a new start (within 6 or 12 months of unemployment),
- 2010: 25 % of long-term unemployment participate in an active labour market measure,
- Europe-wide search for vacancies registered with the employment services,
- 2010: leaving employment with 65 instead with 60 (2001),
- 2010: childcare to at least 90 % of children between 3 years old and the school age and at least 33 % of children under 3 years of age,
- average rate of early school leavers max. 10%
- 2010: 85 % of 22-year olds have completed upper secondary education,
- Participation in lifelong learning > 12,5 % of the 25 to 64 age group.

# Unemployment rates (2006)

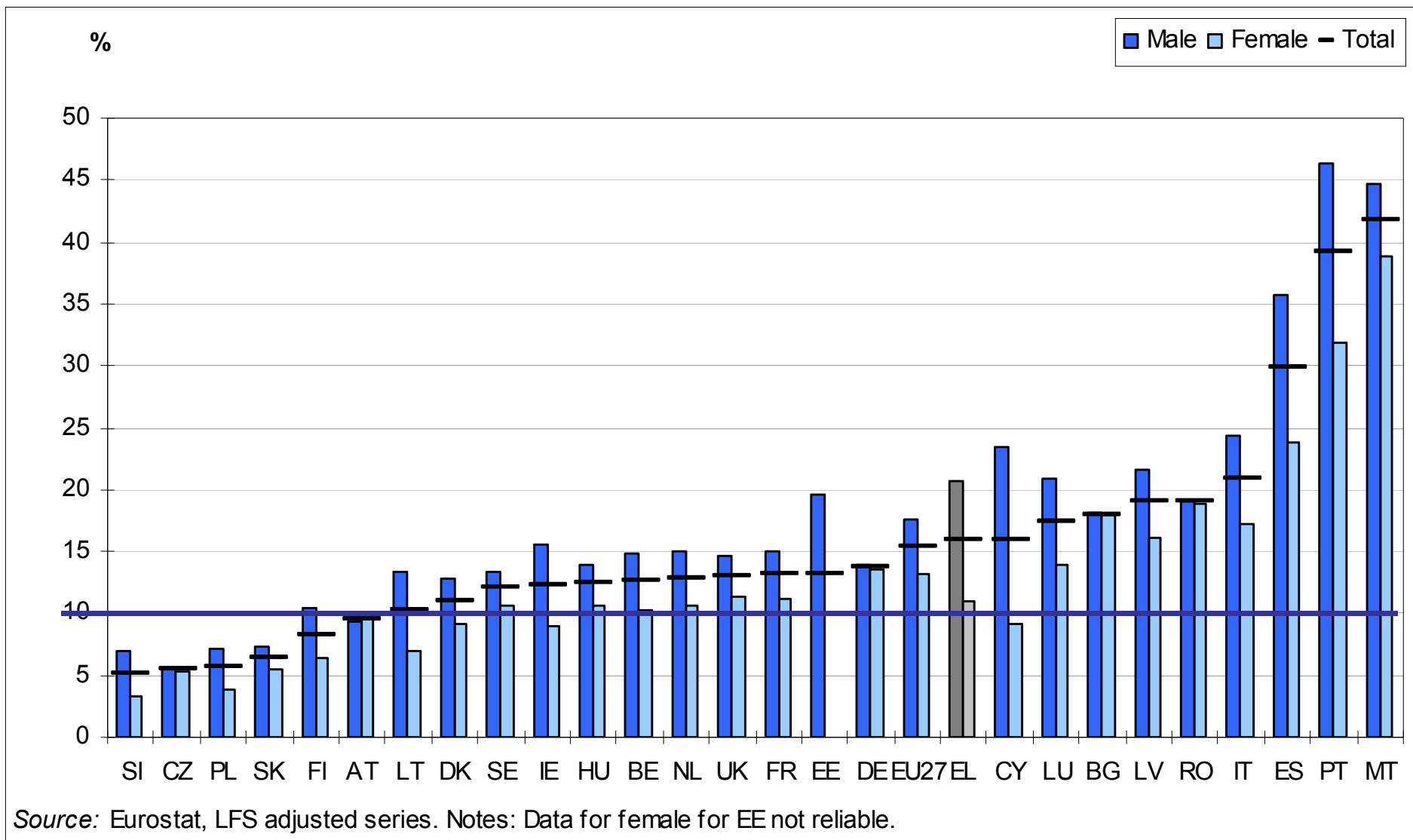


# Long-term unemployment rates by gender (2006)



# Early school leavers

share of the population aged 18-24 with at most lower secondary education and no further education or training (2006)





1. Employment protection legislation (EPL)
2. Active Labour Market Policy (ALMP)
3. Lifelong Learning (LLL)
4. Modern social security systems

## Dimensions of Flexicurity



***EPL:*** availability of contractual arrangements, providing adequate flexibility for both workers and employers to shape the relationship according to their needs.

***ALMP:*** supporting transitions between jobs, as well as from unemployment and inactivity to jobs

***LLL:*** enabling workers to remain employable throughout their careers, by helping them to cope with rapid change, unemployment spells and transitions to new jobs.

***Social security systems:*** combining the need to facilitate labour market mobility and transitions with the provision of adequate income support during all absences from the labour market.





- Flexicurity implies a balance between rights and responsibilities for employers, workers, jobseekers and public authorities – mutual trust and dialogue
- **Flexicurity should be adapted to the specific circumstances**
- Flexicurity has budgetary implications



## Pathways – starting points to Flexicurity



- Tackling contractual segmentation (insiders & outsiders)
- Flexicurity within enterprises and better transitions
- Tackling skills and opportunity gaps
- Improving opportunities for benefit recipients and informally employed