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Social Security Reform Co-operation Project
中国 - 欧盟社会保障合作项目

**Coordination of Employment Policies between the
European Commission and the Member States.
The European Employment Strategy (EES):
A model of success.**

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Content of the Presentation



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1. Why do we need **coordination**? The history of the development of the EES.
2. What are the EES's **objectives**?
3. Who are the **players** involved into its development and implementation?
4. Which **procedures** make the EES function in practice?
5. What are the tangible **results** in relation to coordinated employment policies?
6. How will the EES develop in the near **future**?

1. History of EES



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Europe is not very large compared to China – but the European Union constitutes a huge and economically powerful **single market which consists of (currently) 27 Member States.**

The European Economic Area also encompasses economic powerhouses Switzerland and Norway as well as Iceland which are no formal EU members but very closely linked to the EU Member States.

1. History of EES



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Before EES

Until the late 1980s labour market policy was widely considered to be a **national issue**.

At the beginning of the 1990s there was a **change of paradigms** in favour of a more **coordinated approach**. It was based on the conclusion that Europe's unemployment was a **structural** problem that required for broader solutions.

1. History of EES



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Before EES

The EU guaranteed **occupational mobility** for employees between all Member States already in **1968** with the Treaty of Rome. Only since the EU enlargement of 2004, there are temporary barriers for workers from some new Member States.

Globalisation does not leave out labour markets. Thus, the EU constitutes **one huge labour market** which does no longer allow for country-level policies only.

1. History of EES



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1992: Maastricht Treaty constitutes **social dimension of the EU** through introducing a “social protocol”

1993: Delors **White Book on a European Employment Policy**

1994: Essen Summit: **Joint Employment Targets** agreed

1997: Amsterdam Treaty: Employment Policy as a **joint task for the EU and Member States**

1997: Luxembourg Summit: **European Employment Strategy (EES)**

2000: Lisbon Summit: **New Employment Policy Objectives**

2. Objectives of EES



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The objective of the EES originally was to reduce unemployment (1997).

Based on an analysis of the structural problems of the European labour market(s), the strategy was based on four pillars:

- **Employability**
- **Entrepreneurship**
- **Adaptability**
- **Equal Opportunities**

2. Objectives of EES



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Employability

Each individual employee needs to develop the necessary abilities and skills that allow him or her to find **access to the labour market**. In an environment of ever-changing and rising demands, low skilled or unskilled workers can no longer find adequate jobs.

Member States therefore need to support people's employability.

2. Objectives of EES



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Entrepreneurship

Within the EU economies, small and medium-sized enterprises (SMEs) are the **job engine**. They employ far more than 90% of all employees and they still create jobs while big companies decline.

It is important to **encourage more people to get self-employed and found new enterprises**. Even around 10% of all unemployed seem to have the potential to become employers.

2. Objectives of EES



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Adaptability

Companies as well as employees need to adapt to the **changing demands** of working conditions.

It is no longer possible to plan for a 40 years career based on a professional education **without any update of skills**.

Lifelong learning becomes obligatory.

2. Objectives of EES



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Equal Opportunities

The employment rates of men and women still are very much different. Women need to be encouraged to make use of their talents and skills and enter the labour market.

Equal conditions and equal payments must be ensured and discrimination eliminated.

2. Objectives of EES



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The Lisbon Summit in 2000 set a **new strategic goal** for the EU:

*“to become the **most competitive** and dynamic **knowledge-based** economy in the world, capable of **sustainable economic growth** with **more** and **better jobs** and greater **social cohesion**”*

These objectives should be achieved by 2010.

2. Objectives of EES



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Shift of Objectives for Employment Policy

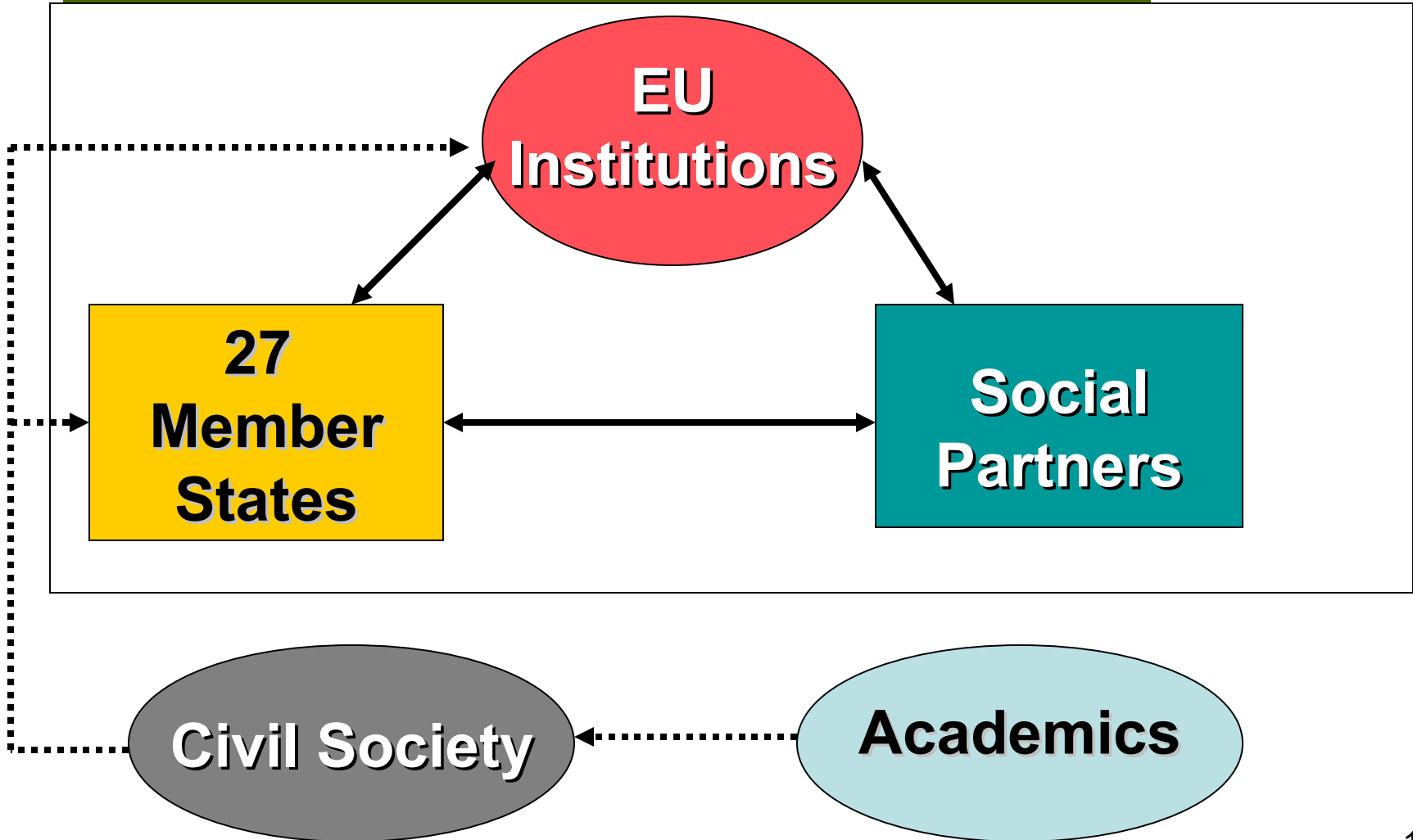
From combatting unemployment to regaining the conditions for full employment (2000) and a focus on growth and jobs (2005).

- Full employment,
- **Quality** and **productivity** of work,
- **Social inclusion.**

3. Who is actively involved into EES?



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3. Who is actively involved into EES?



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EU Institutions:

**EU
Commission**

**European
Parliament**

**Employment
Committee**

4. Practical Procedures of EES



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Principles:

- **Coordination**
- **Mutual Learning**
- **Integration** with other policy fields
- **Supervision** of Member States efforts by EU Commission

4. Practical Procedures of EES



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Coordination

EU and Member States join their efforts and coordinate the implementation of employment policies in a common **framework which is decided upon unanimously.**

4. Practical Procedures of EES



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Mutual Learning

Member States are encouraged to **learn from each other's experience** at all levels and enhance transferability about the most effective policies and activities. The **exchange of good practice** is in the focus of this strategy.

4. Practical Procedures of EES



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Integration with other policy fields

Employment Policy can only be successful if it is **linked to related policies** such as economic, education, social or family policies.

EMCO therefore has developed close relations to the respective committees.

4. Practical Procedures of EES



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Supervision of Member States efforts by EU Commission

Commission **assesses** the activities of the Member States regularly and issues **recommendations** how to improve performance. Thus, a sort of **competition** is launched between the Member States.

4. Practical Procedures of EES



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4. Practical Procedures of EES



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Employment Guidelines

- adopted **each year** by the Council upon a proposal by the Commission
- reflect **common priorities** for the Member States' employment policies
- since 2005 they are part of the **Integrated Guidelines for Growth and Jobs**

4. Practical Procedures of EES



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National Reform Programmes

- drawn up by Member States **each year** in order to implement the Employment Guidelines into national policy
- formerly known as **National Action Plans for Employment** (until 2005)

4. Practical Procedures of EES



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Joint Employment Report

- adopted by **Commission and Council**
- reviews the **progress made by Member States** at both national and community levels in response to the **Employment Guidelines**
- Constitutes the employment chapter of the **EU Annual Progress Report on the Lisbon Strategy** (since 2005)

4. Practical Procedures of EES



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Country specific Recommendations

- adopted by the **Council** upon proposal by the **Commission**
- issues **concrete recommendations** regarding the Member State's employment policies
- Member State **must consider** the recommendations when drafting the next National Reform Programme

4. Practical Procedures of EES



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Open Method of Coordination

- multi-lateral surveillance
- annual reporting and comparable indicators highlight best performers
- Increased exchange of good practice facilitated by EMCO
- Peer Review process set up to evaluate transferability of good practice
- Intensified bilateral contacts between Member States

5. Results of EES



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After 10 years there is significant progress:

	1997	2006
• Employment Rate (all):	60.7%	64.3%
• Women Employment:	51.8%	57.1%
• Older Workers (55-64):	35.7%	43.5%
• Long-term unemployed:	5.0%	3.6%
• Employment rate of Member States which launched EES in 1997 went up 5.3 percentage points.		

5. Results of EES



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After 10 years there is significant progress:

	1997	2006
• Unemployment EU15:	9.8%	7.4%
• Unemployment EU25:	9.3%	7.9%

Structural improvement of the Labour Market through

- higher efficiency of placement services
- development of new types of work contracts
- increased and better targeted expenses for Active Labour Market measures

5. Results of EES



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After 10 years there is significant progress:

- Share of high-skilled non-manual workers in EU15 rose from 36 to 40%

Job gains and losses in EU15 from 1997 to 2006:

- Real estate and business activities: + 6m.
- Health and social work: +4m.
- Trade: +2m., Construction: +2m., Education: +2m.
- Manufacturing: - >1m.
- Agriculture: - >1m.

6. Future of EES



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EES does not stop here. The process is going on.

EES will emphasise in the future:

- the **social dimension** of employment (demographic change linked to social security expenses: more employees needed)
- Improval of **education and training systems** with a view to preparing people for changing demands
- Promote **youth employment** (unemployment rate for people aged 18-24 still at 17.4%!)

6. Future of EES



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- Further promotion of **territorial and local development** of new employment strategies
- Promotion of **movement between Member States** (currently only 2% of all citizens live in another Member State)
- „**Flexicurity**“: More flexibility on the labour market but hand in hand with increased employment security, i.e. flexible contractual arrangements, comprehensive lifelong learning strategies, effective ALMP, modern social security systems.
- Flexicurity is a focus in the current cycle of Employment Guidelines.

6. Future of EES



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Another important step will be the **internationalisation** of the elements of the EES.

Dialogue with international institutions such as ILO, OECD and G8 has been initialised.

Dialogue with important countries like USA, Japan, China and India has also been launched.

Objective is to promote and disseminate the values and experience of EES as a model of development that **combines economic growth with social justice.**