

Information Guide



Employment Policy

A guide to the European Union's Employment Policy, with hyperlinks to sources of information within European Sources Online and on external websites

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Introduction

Creating jobs and a genuine European labour market:

Member States must continue to act to respond to the economic and social challenges of high unemployment and demographic change. The framework for progress is in place – the key now is implementation. The Commission has launched an ambitious Employment Package setting out key measures to support job creation, to restore the dynamics of the labour market and to enhance EU governance, and advocates an acceleration of work on the portability of pension rights. At European level, the reform of EURES to become a genuine recruitment and placement platform is under way and the Commission will shortly propose a Communication on Rethinking Education and a Youth Employment Package building on the Youth Opportunities Initiative and including proposals for a Youth Guarantee. Work on the Commission's proposal on posted workers rights should be accelerated.

From: [Implementation of the Compact for Growth and Jobs: Report to the European Council](#), 18–19 October 2012.

Legal basis

With the entry into force of the Treaty of Lisbon on 1 December 2009, provisions on employment policy are now set out in the Treaty on European Union and the Treaty on the Functioning of the European Union. In the [Treaty on European Union](#) (TEU), Article 3(3) commits the EU to:

work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress ...

Details of measures required to meet that commitment are given in the [Treaty on the Functioning of the European Union](#) (TFEU), with Article 2(3) requiring Member States to coordinate their economic and employment policies and Article 5(2) giving the Union responsibility for coordinating Member States' employment policies and for defining guidelines for them.

The TFEU's main provisions on employment are found in Articles 145-150 (Title IX). Under Article 145, Member States and the Union shall:

work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce and labour markets ...

Article 146(1) requires Member States to contribute to the achievement of the objectives referred to in Article 145 through their employment policies, with 146(2) obliging them to regard promoting employment as a matter of common concern.

Article 147 enables the Union to:

contribute to a high level of employment by encouraging cooperation between Member States and by supporting and, if necessary, complementing their action.

The roles of the institutions in formulating and monitoring employment policy are set out in Article 148.

Background

In the early days of the European Economic Community, unemployment was not a major problem and Community activity in the employment and labour market policy area was confined to such areas as vocational training. Only later, as unemployment grew, did employment policy become a major area of concern. In the meantime, the structural funds were the principal means used to promote employment. With the launch of the campaign to complete the single market by 31 December 1992, concern was expressed about the social dimension of the single market and its possible effect on employment and workers' rights. The Community Charter of the Fundamental Social Rights of Workers (the 'Social Charter') was adopted in 1989, laying down a range of social rights to be guaranteed in the European labour market (see [Summaries of EU legislation](#)).

Attached to the 1993 [Treaty on European Union](#) (TEU) were a Social Protocol and associated Agreement on social policy (concluded between the Member States, other than the United Kingdom), whose objectives included promoting employment, developing human resources to ensure a high and sustainable level of employment, and integrating people excluded from the labour market.

On 5 December 1993, in response to continuing high unemployment, especially amongst young people and the long-term unemployed, the European Commission adopted a White Paper on 'Growth, Competitiveness and Employment: the challenges and ways forward to the 21st century' ([COM\(93\)700](#) – text courtesy of Archive of European Integration). An ambitious target of 15 million new jobs by 2000 was set. Employment was the main item on the agenda of the December 1994 [Essen European Council](#), where the fight against unemployment and equality of opportunity for men and women were described as the paramount tasks of the EU and the Member States.

The 1997 [Treaty of Amsterdam](#) (see also [Summaries of EU legislation](#)) marked an important step forward in the fight against unemployment, consolidating the mechanisms set in place by the Treaty on European Union. Included in a new Employment Chapter was a requirement for all Member States to commit to work to a coordinated strategy for employment (see [Ten years of the European Employment Strategy](#)).

In November 1997, the [Luxembourg European Council](#) (sometimes referred to as the 'Jobs Summit') was devoted to employment issues, in particular the combating of unemployment and how best to profit from the new provisions on employment issues in the Treaty of Amsterdam.

European Employment Strategy

The [European Employment Strategy](#) (EES; also known as the 'Luxembourg process'), was launched in November 1997 on the basis of the new provisions in the Employment title of the Treaty of Amsterdam. Described as the Union's 'main policy tool for creating improved work for all' (see Press Release [IP/07/1455](#) and [Summaries of EU legislation](#)), the EES:

establishes common EU objectives and priorities, and ensures coordination of employment policies across the EU.

In 2002, the Commission Communication 'Taking stock of five years of the European Employment Strategy' ([COM\(2002\)416](#)) identified major challenges and issues for the future of the EES.

To mark the 10th anniversary of the EES on 8 October 2007, the Commission compiled [Ten years of the European Employment Strategy](#), in which it identified the 'main steps

and accomplishments' of the initiative:

- A new title on Employment in the Amsterdam Treaty
- The Employment Incentive Measures and PROGRESS
- The EES: a key component of the Lisbon Strategy
- The 2002 impact evaluation
- The Employment Taskforce
- The EES during the 2004-2007 enlargements
- The 2005 revamped Lisbon Strategy and the EES
- The Mutual Learning Programme
- The European Employment Observatory
- Local dimension of the EES
- Flexicurity: working life from a new perspective.

You can find more information in ESO on the EES by clicking [here](#).

Lisbon Strategy

In March 2000 at the [Lisbon European Council](#) the Lisbon Strategy was adopted, with one of the main aims being to raise the overall EU employment rate to 70% and to increase the number of women in employment to more than 60% by 2010 (see also [Summaries of EU legislation](#)).

The [Stockholm European Council](#) of March 2001 added two intermediate targets and one additional target: the employment rate should be raised to 67% overall by 2005, 57% for women by 2005 and 50% for older workers by 2010. The March 2002 [Barcelona European Council](#) confirmed that full employment was the overarching goal of the EU and called for a reinforced Employment Strategy to underpin the Lisbon Strategy in an enlarged EU.

Following a request from the Spring European Council of 2003, and against a background of economic slowdown and with the goals of the Lisbon Strategy being seriously challenged by the labour market situation, the Commission established a European Employment Taskforce headed by Wim Kok, former Prime Minister of the Netherlands (see [Summaries of EU legislation](#)).

The Taskforce identified four priorities for action by the Member States which were subsequently endorsed by the [Brussels European Council](#) in December 2003. The Commission and the Council integrated the findings of the Taskforce report into their Joint Employment Report for the Spring Council of 2004 (draft issued as [COM\(2004\)24](#)), which confirmed the need for decisive action by Member States. These priority actions included:

- increasing adaptability of workers and enterprises
- attracting more people to the labour market and making work a real option for all
- investing more and more effectively in human capital
- ensuring effective implementation of reforms through better governance.

Five years after its launch and half way through its 10-year term it had become apparent that the Lisbon Strategy was not on track to deliver the expected results. EU progress towards the target of a 70% overall employment rate by 2010 had come to a standstill and, at 64.3%, it was clear that the EU would miss the intermediate employment rate target for 2005 of 67%. Labour productivity growth had continued to slow down and quality in work and inclusive labour markets remained important challenges in many Member States.

In preparation for a Mid-Term Review of the Lisbon Strategy, to be discussed at the Spring European Council on 22-23 March 2005, a High-Level Group of Independent Experts under the chairmanship of Wim Kok compiled a report for the Commission and the European Council on ways of revitalising the Lisbon Strategy. The report [Facing the challenge: The Lisbon strategy for growth and employment](#) was submitted to the Commission in November 2004 and emphasised that the Lisbon Strategy lacked clear priorities with an 'overloaded agenda, poor coordination and conflicting priorities'.

In February 2005, the Commission presented its Mid-Term Review of the Lisbon Strategy. In view of the lack of progress towards achieving the Lisbon objectives, the Communication 'Working together for growth and jobs: A new start for the Lisbon Strategy' ([COM\(2005\)24](#); see also [Summaries of EU legislation](#)) sought to refocus the strategy towards strong, sustainable growth and to creating more and better jobs by focusing on fewer, more achievable objectives. According to Press Release [IP/05/130](#) announcing the initiative, the actions proposed 'could boost GDP by 3 by 2010 and create over 6 million jobs'.

The Mid-Term Review was adopted at the 22-23 March 2005 [Brussels European Council](#), where leaders agreed to:

relaunch the Lisbon Strategy without delay and re-focus priorities on growth and employment.

On 25 January 2006, the Commission published its Annual Progress Report on Growth and Jobs, 'Time to move up a gear: The new partnership for growth and jobs' (published as the three-part [COM\(2006\)30](#); see also Press Release [IP/06/71](#)). In his introduction to the Report, Commission President José Manuel Barroso said:

There has been a wind of change moving through the corridors of Brussels and national capitals since we re-launched the Lisbon Strategy last year. There has been a step change in activity. We've come a long way since last year and the right foundations are now in place. The fact that there are 25 national reform programmes on the table speaks volumes about a new level of national commitment. Now the spotlight moves to delivery. Now Member States must get in the driving seat and speed up reforms.

The March 2006 Spring European Council agreed three specific areas for priority action to be implemented by the end of 2007:

- Investing more in knowledge and innovation
- Unlocking business potential, especially of SMEs
- Increasing employment opportunities for priority categories.

The Council [Conclusions](#) noted that:

The EU is expected to create six million new jobs during the three year period 2005-2007, helping to reduce unemployment from a peak of 9% at the end of 2004 by roughly 1% in 2007. However, the further reduction of unemployment, raising productivity and the increase of potential growth remain the key challenges for the Union.

On 12 December 2006, ahead of the Spring European Council in March 2007, the Commission issued 'Implementing the renewed Lisbon Strategy for Growth and Jobs: A year of delivery' – its 'December 2006 Annual Progress Report' (see the multi-part [COM\(2006\)816](#) and Press Release [IP/06/1758](#)). Its main messages were that the re-launched growth and jobs strategy was working, the reform process was bearing fruit, and that the economic upturn provided 'a unique window of opportunity to quicken the

pace of reform.'

The [Presidency Conclusions](#) from the Spring European Council of March 2007 showed that EU leaders agreed with the Commission, but that 'in order to face the most pressing challenges', the European Council called for actions to:

- strengthen the internal market and competitiveness, create better framework conditions for innovation and greater investment in research and development, boost quality employment and improve social cohesion
- enhance the better regulation agenda to create a more dynamic business environment
- develop a sustainable integrated European climate and energy policy.

The Council subsequently issued a [Recommendation](#) on 27 March 2007, setting out actions to be taken by Member States. To enable the next three-year cycle of the renewed Lisbon Strategy to be prepared, the March 2007 European Council also invited the Commission to present an interim report in Autumn 2007 'with a view to its proposal for the Integrated Guidelines for Growth and Jobs (2008-2011)'.

11 December 2007 therefore saw the publication of 'Strategic report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008-2010): Keeping up the pace of change' – the Commission's December 2007 Annual Progress Report (issued as the multi-part [COM\(2007\)803](#)) and response to the European Council's request (Press Release [IP/07/1892](#)). The Commission concluded that the Lisbon Growth and Jobs Strategy was working, but that some Member States had 'responded more robustly than others and some signs of "reform fatigue" have become apparent over the last twelve months.' Commission President José Manuel Barroso said that the package of measures proposed by the Commission responded 'to the need for Europe to act to face up to growing uncertainties in the global economy.'

Following the March 2008 Spring European Council, a [Council Recommendation](#) was adopted on 14 May 2008, on the broad guidelines for the economic policies of the Member States and the Community and on the implementation of Member States' employment policies, again setting out actions for individual Member States to take.

At the end of November 2008, the European Commission's [Growth and Jobs website](#) claimed that the Lisbon Strategy 'has been paying dividends', quoting the following indicators:

- 3.3 million new jobs were created in 2007
- the employment rate is currently 66% and has moved much closer to the Lisbon target of 70%
- unemployment has decreased to 7.1%
- economic growth increased considerably from 1.9% in 2005 to 3.1% in 2006 and 2.9% in 2007
- on average, EU labour productivity has increased in the period 2005-2007.

The Commission also pointed out, however, that economic activity in the EU and euro-area economies has started to slow; employment growth is projected to slow in 2008 and 2009; headline inflation increased to 3.6% year on year in March 2008 – the highest level for 12 years.

The [Joint Employment Report 2007/2008](#) – adopted early in the year, before the sudden worldwide economic downturn – stated:

The past year has seen the creation of nearly 4 million new jobs and unemployment has reached the lowest levels in years. Part of this is cyclical but

there are good reasons to believe that the European Employment Strategy and the integrated Lisbon strategy are showing results and that structural reform are starting to pay off.

The 2007/2008 Report also highlighted 'a number of ongoing areas for concern, notably youth unemployment and under-investment in education and training' (see Press Release [IP/08/287](#)).

The 'Draft Joint Employment Report (JER) 2009/2010' was published as [COM\(2009\)674](#) of 15 December 2009 (see also Press Release [MEMO/09/554](#)).

A 'Lisbon Strategy evaluation document' was adopted by the Commission on 2 February 2010, as [SEC\(2010\)114](#) (see also Press Release [IP/09/146](#)). It concluded that:

Overall, the Lisbon Strategy has had a positive impact on the EU even though its main targets (i.e. 70% employment rate, and 3% of GDP spent on R&D) will not be reached. The EU employment rate reached 66% in 2008 (from 62% in 2000) before it dropped back again as a result of the crisis. However the EU has failed to close the productivity growth gap with leading industrialised countries: total R&D expenditure in the EU expressed as a percentage of GDP only improved marginally (from 1.82% in 2000 to 1.9% in 2008). It would, however, be too simplistic to conclude that the strategy has failed because these targets were not met. For the reasons set out in the Annex, the Strategy has broken new ground by promoting common actions to address the EU's key long-term challenges.

Europe 2020

On 24 November 2009, the Commission adopted [COM\(2009\)647](#), a consultative document on a proposed successor to the Lisbon Strategy. Labelled 'EU 2020', the initiative would focus on key policy areas where collaboration between the EU and the Member States could best deliver results.

Following consultations, 'Europe 2020: A strategy for smart, sustainable and inclusive growth' was adopted on 3 March 2010 as [COM\(2010\)2020](#) (see also Press Release [IP/10/225](#) and the [Europe 2020](#) website). It identifies three key drivers for growth, to be implemented through concrete actions at EU and national levels: smart growth, sustainable growth, and inclusive growth.

In order to help the EU define where it wants to be by 2020, the Commission proposed the following headline targets:

- 75% of the population aged 20-64 should be employed
- 3% of the Union's GDP should be invested in R&D
- the '20/20/20' climate/energy targets should be met
- the share of early school leavers should be under 10%, and at least 40% of young people should have a tertiary degree
- 20 million less people should be at risk of poverty

At the 25-26 March 2010 European Council, leaders discussed Europe 2020 (see [Conclusions](#)). Describing it as the Union's new strategy for jobs and growth, leaders agreed on its main elements, including key targets and arrangements for monitoring it.

Europe 2020 was subsequently formally adopted at the European Council of 17 June 2010. The [Conclusions](#) stated:

The European Council today has finalised the European Union's new strategy for jobs and smart, sustainable and inclusive growth. The strategy will help Europe recover from the crisis and come out stronger, both internally and at the international level, by boosting competitiveness, productivity, growth potential, social cohesion and economic convergence.

The new strategy responds to the challenge of reorienting policies away from crisis management towards the introduction of medium- to longer-term reforms that promote growth and employment and ensure the sustainability of public finances, inter alia through the reform of pension systems.

Within Europe 2020, the Flagship initiative [Agenda for new skills and jobs](#) is intended to help the EU reach its employment target by targeting four specific areas:

- stepping up reforms to improve flexibility and security in the labour market ('flexicurity')
- equipping people with the right skills for the jobs of today and tomorrow
- improving the quality of jobs and ensuring better working conditions
- improving the conditions for job creation

You can find more information in ESO on Europe 2020 by clicking [here](#).

2012 Employment Package

On 18 April 2012, the Commission unveiled an Employment Package comprising a number of elements including the Communication 'Towards a job-rich recovery' ([COM\(2012\)173](#); see also Press Releases [IP/12/380](#) and European Parliament [Library Briefing](#)). The Communication:

seeks to complement the employment priorities of the Annual Growth Survey with medium-term policy guidance in function of the Europe 2020 employment objectives. It builds upon the Employment Guidelines, sets out actions requiring particular emphasis in the present context and aims at building trust among all actors and generating confidence to put the necessary employment reforms in motion. In doing so, it also responds to the call from the European Council to back up the new economic governance with a closer monitoring of employment and social policy, particularly where these can have an impact on macro-economic stability and growth.

According to the [Employment Package](#) page, measures are proposed in three areas:

- Supporting job creation
- Restoring the dynamics of labour markets
- Improving EU Governance

In addition to [COM\(2012\)173](#), the Employment Package also included the following Staff Working Documents:

- [SWD\(2012\)90](#) 'on labour market trends and challenges'
- [SWD\(2012\)92](#) 'Exploiting the employment potential of green growth'
- [SWD\(2012\)93](#) 'on an Action Plan for the EU Health Workforce'
- [SWD\(2012\)95](#) 'on exploiting the employment potential of the personal and household services'

- [SWD\(2012\)96](#) 'Exploiting the employment potential of ICTs'
- [SWD\(2012\)97](#) 'Open, dynamic and inclusive labour markets'
- [SWD\(2012\)98](#) 'Implementing the Youth Opportunities Initiative: first steps taken'
- [SWD\(2012\)99](#) 'Quality Framework for Traineeships'
- [SWD\(2012\)100](#) 'Reforming EURES to meet the goals of Europe 2020'

A move to modernise and improve EURES, the pan-EU job search network, was adopted by the Commission on 26 November 2012 as [Commission Implementing Decision C\(2012\)8548](#) (see also Press Release [IP/12/1262](#)).

On 5 December 2012, in the context of the Employment Package, the Commission launched a targeted Youth Employment Package, which included the Communication 'Moving Youth into Employment' ([COM\(2012\)727](#); the accompanying Staff Working Document [SWD\(2012\)406](#) focused on the Youth Opportunities Initiative; see also Press Release [IP/12/1311](#), [Citizen's Summary](#), European Parliament [Library Briefing](#) and Commission's [Youth employment](#) page).

The 'Moving youth into employment' Communication stated:

In 2011, the Commission adopted the Youth Opportunities Initiative (YOI), prompting EU and Member State action to improve youth employment. EU Structural Funds were mobilised to increase support for youth and financial resources for policy measures and investment projects are now being funded. Both the European Council and the European Parliament have since re-emphasised the crucial importance and urgency of addressing youth unemployment, highlighting the potential for initiatives on youth guarantees and on a quality framework for traineeships. The Commission also recently adopted the 'Rethinking Education' package.

This Communication and its accompanying Staff Working Document present the action taken at EU and at national level to implement the YOI (including through 28 country fact sheets). The Communication then outlines further concrete initiatives proposed by the Commission and to be taken forward by the Member States and social partners, in order to address the different short-term and structural problems behind the youth employment crisis.

The Youth Employment Package also included a 'Proposal for a Council Recommendation on establishing a Youth Guarantee' ([COM\(2012\)729](#); track progress via the [PreLex dossier](#)). The proposal aimed to ensure that young people receive a quality offer of employment, further education or training within four months of becoming unemployed or of leaving formal education. It also set out how a Youth Guarantee scheme should be created (the accompanying [SWD\(2012\)409](#) gave more details about the concept of the Youth Guarantee).

Employment guidelines

On 7 May 2009, 'A Shared Commitment for Employment' was adopted at an 'Employment Summit' involving representatives of the EU institutions, employers and trade unions. Published as [COM\(2009\)257](#), it identified 10 actions aimed at fighting unemployment and creating new jobs and fed into the 18-19 June European Council (see Press Releases [IP/09/718](#), [IP/09/859](#), [MEMO/09/259](#)).

[Council Decision 2009/536/EC](#) 'on guidelines for the employment policies of the Member States' was published on 11 July 2009, following a proposal from the Commission in January 2009 ([COM\(2008\)869](#)).

On 24 April 2010, the Commission adopted a 'Proposal for a Council Decision on guidelines for the employment policies of the Member States: Part II of the Europe 2020 Integrated Guidelines' ([COM\(2010\)193](#)). Subsequently adopted as [Council Decision 2010/707/EU](#) of 21 October 2010, it required Member States to submit their draft national reform programmes by 12 November, with the programmes to be finalised by mid-April 2011 (see Press Release [15184/10](#)).

As indicated by the subtitle of the April 2010 proposal, the employment policy guidelines are part of the 'integrated guidelines', which are the main tool of the Europe 2020 strategy ([COM\(2010\)2020](#) of 3 March 2010; see also [Europe 2020](#) website). The other part is the broad guidelines for the economic policies of the Member States (also known as 'broad economic policy guidelines' or BEPG; see [Summaries of EU legislation](#)).

The integrated guidelines comprise 10 individual guidelines, focusing on five headline targets for action at EU level, echoing the Europe 2020 targets. The guidelines must be translated into national targets by Member States.

Guidelines 1-6, concerning economic policy, are set out in the BEPG; numbers 7-10 are annexed to the employment policy guidelines ([Council Decision 2010/707/EU](#)):

Guideline 7: Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality

Guideline 8: Developing a skilled workforce responding to labour market needs and promoting lifelong learning

Guideline 9: Improving the quality and performance of education and training systems at all levels and increasing participation in tertiary or equivalent education

Guideline 10: Promoting social inclusion and combating poverty

In order to focus on their implementation, the guidelines Annexed to Decision 2010/707/EU are to remain stable until 2014. [Council Decision 2011/308/EU](#) kept them for 2011, with [Council Decision 2012/238/EU](#) continuing to maintain them for 2012.

You can find more information in ESO on the employment guidelines by clicking [here](#).

Social dialogue

Decisions on employment are increasingly taken following a process of [Social Dialogue](#) with the main social partners, employers and trade union organisations (UNICE, ETUC and CEEP). Social dialogue has seen several positive developments, such as the move towards greater autonomy and the introduction of so-called 'new generation' texts, in which the European social partners make recommendations to their members and follow them up at the national level.

The social partners have adopted texts on a wide variety of topics, including telework, gender equality, training and lifelong learning (see [Cross-industry social dialogue](#) and [Sectoral social dialogue](#) pages).

On 23 July 2010, the Commission published a Staff Working Document 'on the functioning and potential of European sectoral social dialogue' ([SEC\(2010\)964](#); see also Press Release [MEMO/10/354](#)). The document reviewed the main achievements of the process over the previous 12 years and identified possible improvements.

Modernising labour law

In November 2006, the Commission published the Green Paper 'Modernising labour law to meet the challenges of the 21st century' ([COM\(2006\)708](#)) to launch a public debate in the EU on how labour law might evolve to support the Lisbon Strategy's objective of achieving sustainable growth with more and better jobs. Amongst other things, the Green Paper looked at:

the role labour law might play in advancing a "flexicurity" agenda in support of a labour market which is fairer, more responsive and more inclusive, and which contributes to making Europe more competitive.

In October 2007, the Commission published the Communication 'Outcome of the Public Consultation on the Commission's Green Paper' ([COM\(2007\)627](#); see Press Release [IP/07/1584](#) and [PreLex dossier](#)).

The Commission did not at the time propose any new legislative measures, but did identify a number of areas for further discussion:

- the prevention and combating of undeclared work, especially in cross-border situations;
- the promotion, development and implementation of training and life-long learning to ensure greater employment security over the life cycle;
- the interaction between labour law and social protection rules in support of effective employment transitions and sustainable social protection systems;
- the clarification of the nature of the employment relationship to promote greater understanding and facilitate cooperation across the EU;
- the clarification of the rights and obligations of the parties involved in sub-contracting chains, to avoid depriving workers of their ability to make effective use of their rights.

Flexicurity

[Flexicurity](#) is the concept of balancing flexibility in the job market with employment security for workers. On 27 June 2007, the Commission issued the Communication 'Towards Common Principles of Flexicurity: More and better jobs through flexibility and security' ([COM\(2007\)359](#); see also Press Release [IP/07/919](#), [Summaries of EU legislation](#), and [Eurofound flexicurity](#) page.

The Employment, Social Policy, Health and Consumer Affairs Council of 5-6 December 2007 adopted eight [Common Principles of Flexicurity](#), including:

- (1) Flexicurity is a means to reinforce the implementation of the Lisbon Strategy, create more and better jobs, modernise labour markets, and promote good work through new forms of flexibility and security to increase adaptability, employment and social cohesion.
- (2) Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems.

In May 2008, the Commission launched a 'Mission for Flexicurity' in five Member States, to raise awareness and understanding of the common principles of flexicurity (see Press Release [IP/08/758](#)).

The 2010 Annual Growth Survey ([COM\(2011\)11](#) of 12 January 2010) referred to Flexicurity in the following terms:

7. Balancing security and flexibility

In some Member States employment protection legislation creates labour market rigidity, and prevents increased participation in the labour market. Such employment protection legislation should be reformed to reduce over-protection of workers with permanent contracts, and provide protection to those left outside or at the margins of the job market. At the same time, reducing early school leaving and improving educational achievements is essential to help young people to have access to the labour market.

- Member States could introduce more open-ended contracts to replace existing temporary or precarious contracts in order to improve employment perspectives for new recruits.
- Member States should simplify their regimes for the recognition of professional qualifications to facilitate the free circulation of citizens, workers and researchers.

On 23 November 2010, in 'An Agenda for new skills and jobs: A European contribution towards full employment' ([COM\(2010\)682](#)), the Commission claimed that, although flexicurity policies helped the EU weather the financial crisis, experience had highlighted problems with the approach.

The Commission therefore identified key policy priorities for strengthening the four components of flexicurity (flexible and reliable contractual arrangements, active labour market policies, life-long learning, and modern social security systems) in order to:

ensure that, in the post-crisis context, countries focus on the most cost-effective reforms while providing better flexibility and security.

The flexicurity concept was developed in times of good economic and labour market performance. The Eurofound project [The second phase of flexicurity: An analysis of practices and policies in the Member States](#) looks at the implementation of flexicurity across the EU during the economic crisis.

You can find more information in ESO on flexicurity by clicking [here](#).

Job security

On 6 December 2007, the Commission adopted the Communication 'Mobility, an instrument for more and better jobs: The European Job Mobility Action Plan (2007-2010)' ([COM\(2007\)773](#); see also [Summaries of EU legislation](#)). Said to represent an important step in a long line of initiatives to promote mobility, it set out 15 actions covering four main goals:

- improving existing legislation and administrative practices regarding worker mobility
- ensuring policy support for mobility from authorities at all levels

- reinforcing EURES as the one-stop instrument to facilitate mobility of workers and their families
- fostering awareness of the possibilities and advantages of mobility among the wider public

In June 2010, an [Implementation Report](#) on the Action Plan recognised labour mobility as a major contributor to a better functioning of the labour market in the EU and that a strategy for 'balanced labour mobility' should be encouraged. It also argued that such a policy will be needed in the future to address increasingly dynamic labour markets characterised by 'high rates of job destruction and job creation', resulting from a combination of the current economic crisis and long-term challenges (e.g. an ageing population, globalisation).

The Europe 2020 strategy addresses the issues of labour mobility and transitions in the 'Youth on the move' and 'An agenda for new skills and jobs' Flagship initiatives.

European Globalisation Fund

The [European Globalisation Adjustment Fund](#) (EGF) was launched in January 2007 under [Regulation 1927/2006](#) (see also Press Release [MEMO/06/486](#) and [Summaries of EU legislation](#)). It is intended to:

to provide support for workers made redundant as a result of major structural changes in world trade patterns due to globalization where these redundancies have a significant adverse impact on the regional or local economy.

The Fund was used for the first time to support suppliers of Peugeot-Citroën and Renault; the application from France was approved by the Commission in June 2007, with Council and Parliament approval following in October (Press Release [IP/07/880](#); see also EIROnline [European Globalisation Fund to assist redundant workers](#)).

Globalisation was on the agenda of the first meeting of the Employment Ministers of 43 European and Mediterranean countries, held in the context of the [Union for the Mediterranean](#) (formerly the Barcelona Process). Meeting in Marrakech (Morocco) on 9-10 November 2008, participants discussed employment, employability and decent work, highlighting 'the prospects and challenges resulting from globalisation, climate change and technological development as well as social and demographic changes' (see also Press Release [IP/08/1660](#)).

The Commission's third annual report on the activities of the EGF (adopted on 9 September 2010 as [COM\(2010\)464](#)) showed that, in 2009, there was a six-fold increase in applications from Member States for funding to support workers dismissed as a result of globalisation and the economic crisis (see also Press Release [IP/10/1102](#)).

The EGF report for 2010 ([COM\(2011\)466](#), 22 August 2011; see also Press Releases [IP/11/973](#) and [MEMO/11/561](#)) shows that, in 2010, 31 applications to the Fund were approved, with total payments made amounting to more than €83 million (an increase of 60% over 2009).

The Commission's Report 'on the activities of the European Globalisation Adjustment Fund in 2011' was adopted on 4 September 2012 as [COM\(2012\)462](#) (see also Press Release [IP/12/932](#)). It showed that some 21,000 workers dismissed due to the economic crisis or the effects of globalisation were helped to find new job opportunities by the EGF in 2011.

You can find more information in ESO on the EGF by clicking [here](#).

PROGRESS

PROGRESS is the Community Programme for Employment and Social Solidarity - a financial instrument which supports the development and coordination of EU policy in five areas, including employment. Established by [Decision 1672/2006/EC](#) of 24 October 2006 (since amended by [Decision 284/2010/EU](#)), the initiative in part supports the implementation of the European Employment Strategy by:

- (a) improving the understanding of the employment situation and prospects, in particular through analysis and studies and the development of statistics and common indicators within the framework of the EES;
- (b) monitoring and evaluating the implementation of the European Employment Guidelines and Recommendations and their impact, notably through the Joint Employment Report, and analysing the interaction between the EES and general economic and social policy and other policy areas;
- (c) organising exchanges on policies, good practice and innovative approaches, and promoting mutual learning in the context of the EES;
- (d) raising awareness, disseminating information and promoting the debate about employment challenges and policies and the implementation of national reform programmes, including among the social partners, regional and local actors and other stakeholders.

According to [Year at a glance - PROGRESS in 2011](#), activities funded by Progress in 2011 focused mainly on the programme's contribution to the Europe 2020 strategy (see also [PROGRESS](#) page).

Enlargement

From an employment perspective, the 2004 'big bang' enlargement and the subsequent accession of Bulgaria and Romania caused considerable concern to existing Member States, who feared their economies might be overrun by cheap labour. Transitional arrangements were therefore agreed, temporarily restricting the right of workers from the accession countries to freely move to another Member State to work, and gradually introducing free movement over a maximum seven-year period. The Communication 'The impact of free movement of workers in the context of EU enlargement: Report on the first phase (1 January 2007 – 31 December 2008) of the Transitional Arrangements set out in the 2005 Accession Treaty ...' was issued by the Commission in November 2008 ([COM\(2008\)765](#)). It claimed that:

mobile workers from the countries that joined the EU in 2004 and 2007 have had a positive impact on Member States' economies and have not led to serious disturbances on their labour markets.

(See also Press Releases [IP/08/1729](#) and [MEMO/08/718](#), and [Enlargement - transitional provisions](#) page).

On 8 January 2009, the Commission announced that Greece, Hungary, Portugal and Spain had lifted their restrictions on access to their labour markets for workers from Bulgaria and Romania (Press Release [IP/09/19](#)). The Commission also confirmed that:

In principle, full free movement of workers should apply after the end of the second phase (31 December 2011). Member States can only maintain restrictions

thereafter if there is a serious disturbance (or threat thereof) to the labour market. All restrictions for workers from Bulgaria and Romania must be lifted by 31 December 2013 at the very latest when full free movement of workers will apply across the EU-27.

Economic crisis

On 26 November 2008, the European Commission adopted the Communication 'A European Economic Recovery Plan' ([COM\(2008\)800](#); see also Press Release [IP/08/1771](#) and [Recovery Plan](#) page). Described as the Commission's response to the economic situation, it had two main elements: short-term measures to boost demand, save jobs and help restore confidence; and 'smart investment' to yield higher growth and sustainable prosperity in the longer-term. Introducing the Communication, Commission President José Manuel Barroso stated:

The real test for European governments and institutions comes when faced with the most difficult of circumstances. At such times, they need to show imagination; they need to show determination; and they need to show flexibility. They need to show that they are in tune with the needs of families and communities across the European Union, that they are equal to the task of finding the right response to the sudden downturn in the prospects for growth and jobs in Europe.

...

The particular contribution of the European Union is its ability to help partners work together. Harnessing Member States' and Community action will add up to a powerful lever for change. It will open the door to using the strengths of each part of Europe to best effect. It will allow us to shape the global response to this global crisis.

The [2009 Employment in Europe Report](#) of 23 November 2009 showed that, with the loss of more than four million jobs, the economic crisis was:

taking its toll on EU labour markets, reversing most of the employment growth achieved since 2000.

(See also 'Key messages from the Employment in Europe 2009 Report' published as [COM\(2009\)639](#), Press Releases [IP/09/1803](#) and [MEMO/09/514](#), and [2009 Report](#) page).

A Commission background paper ([COM\(2009\)649](#)), adopted on 24 November 2009 for presentation to the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO), addressed the employment crisis, policy responses and key actions. It stated that the three priorities identified by the European Council remained the right policy framework: maintaining employment, creating jobs and promoting mobility; upgrading skills and matching labour market needs; increasing access to employment and supporting households. The Communication set out five key actions for 2010 and beyond.

The Foreword to the [Employment in Europe Report 2010](#) of 25 November 2010 stated:

Despite moderate signs of economic recovery, European labour markets are still suffering from the aftermath of the economic crisis and they will continue to need to be supported by appropriate crisis exit strategies. Moreover, we need to reformulate policy priorities for the post-2010 period in line with the framework set by the Europe 2020 Strategy.

European labour markets will emerge from the crisis profoundly changed; workers must be given the incentives and tools to successfully adjust to new realities in order to retain or find quality jobs. Action is needed to enhance skills at all levels and to set the conditions for the creation of new jobs. In this respect, flexicurity is still the right framework to modernise labour markets and help foster job-creating recovery.

An associated Press Release ([IP/10/1600](#)) emphasised:

how young people have borne the brunt of the [economic] crisis, with unemployment disproportionately hitting 15-24 year olds and reaching over 30% in some countries.

(See also Press Release [MEMO/10/612](#) and [2010 Report](#) page).

In 'An Agenda for new skills and jobs: A European contribution towards full employment' (adopted on 23 November 2010 as [COM\(2010\)682](#)) the Commission stated that the crisis had cut the employment rate to 69% and that the unemployment rate rising to 10%. The employment rate target of 75% for the 20-64 years age group will, the Commission claimed, only be achieved by pooling all efforts and instruments. In that context, the 'Agenda for new skills and jobs' 2020 flagship initiative sets out 13 key actions for a possible EU contribution to the employment component of the Europe 2020 strategy (see also [Agenda for new skills and jobs](#) page).

In connection with the new skills and jobs initiative, the Commission launched a project to gather up-to-date information on job vacancies. Information is published in two quarterly bulletins: 'European Vacancy Monitor' and 'European Job Mobility Bulletin' (see [Monitoring the job market](#) page).

In its first Annual Growth Survey (AGS), adopted on 12 January 2011 as [COM\(2011\)11](#), the Commission wrote that, despite the Union's prompt response, the economic crisis:

has taken a heavy toll on Europe's societies, despite the cushioning provided by welfare systems. The rise of unemployment is a central problem. On aggregate, 9.6% of the working population is unemployed. In some countries, youth unemployment can be as high as 40%.

The AGS presented 10 priority actions aimed at developing an integrated approach to recovery and encompassing three main areas, including labour market reforms. It stated:

Tackling unemployment and preventing long term exclusion from the labour market is essential. One of the five EU targets of the Europe 2020 strategy is to raise the employment rate to 75% by 2020. Current indications are that the EU will fall short of this target by 2-2.4% - a shortfall that can be made up through the adoption of measures to create jobs and increase labour participation.

It went on to call for all Member States to stimulate demand for labour and create growth by shifting taxes away from labour, and also to encourage second earners to seek employment and reduce undeclared work.

(See also Press Releases [IP/11/22](#) and [MEMO/11/11](#) and [AGS page](#)).

According to the [Conclusions](#) of the 24-25 March 2011 European Council, EU leaders adopted:

a comprehensive package of measures to respond to the [financial and economic]

crisis, preserve financial stability and lay the ground for smart, sustainable, socially inclusive and job-creating growth.

The March 2011 European Council also adopted 'The Euro Plus Pact: Stronger economic policy coordination for competitiveness and convergence'. Agreed by the eurozone members, plus Bulgaria, Denmark, Latvia, Lithuania, Poland and Romania, it commits participating Member States to undertake to take all necessary measures required to: foster competitiveness and employment, contribute to the sustainability of public finances, and reinforce financial stability.

In terms of fostering employment, progress will be assessed on the basis of long term and youth unemployment rates, and labour participation rates.

Although each participating Member State is responsible for selecting appropriate actions, the emphasis is on:

- labour market reforms to promote flexicurity, reduce undeclared work and increase labour participation
- lifelong learning
- tax reforms (e.g. lowering taxes on labour to make work pay, and encouraging participation of second earners in the work force).

Tackling unemployment is one of five priorities identified in the AGS 2012, published on 23 November 2011 as [COM\(2011\)815 vol. 1](#) (see also Press Releases [IP/11/138](#) and [MEMO/11/821](#)). The section on unemployment and the social consequences of the crisis states:

While the EU was able to create millions of jobs and increase the number of people in work since the mid-1990s, progress has stopped since 2008. Unemployment has increased significantly as a result, with 23 million people unemployed in the EU today.

The crisis is precipitating major shifts across the economy, with business undergoing fast restructuring, many persons moving in and out of employment and working conditions being adjusted to changing environments. With job prospects deteriorating, a significant share of the population may not manage such transitions. The share of long-term unemployed has increased, with risks of falling permanently outside the labour force. The implementation of balanced flexicurity policies can help workers to move across jobs and labour market situations. At the same time, the effect of demographic ageing is now accelerating the withdrawal of experienced workers from the labour market and the prospect of a stagnating/diminishing working age population is imminent in several Member States.

The Commission called on Member States to take a number of steps aimed at creating jobs and ensuring 'a job-rich recovery', including adopt an initiative to boost youth employment, in particular access to a first job, apprenticeships and internships. Subsequently, on 12 December 2011, the Commission adopted a Communication on the 'Youth Opportunities Initiative' ([COM\(2011\)933](#)), in which it proposed that Member States and the EU should combine their efforts to tackle youth unemployment (see also Press Releases [IP/11/1568](#) and [MEMO/11/928](#)).

The Draft Joint Employment Report was issued as Annex III to the AGS 2012 ([COM\(2011\)815 Vol. 4/5](#)). It highlights the increase in temporary contracts and part-time jobs, reflecting the need of businesses to adapt to weak and uncertain economic conditions.

On 17 January 2012, the European Commission adopted the Green Paper 'Restructuring and anticipation of change: what lessons from recent experience?'. Published as [COM\(2012\)7](#) (see also Press Release [IP/12/23](#) and [Public consultations](#) page), the Green Paper launched a public debate which aims:

to identify successful practices and policies in the field of restructuring and adaptation to change in order to promote employment, growth and competitiveness as part of the Europe 2020 strategy.

Responses to the consultation are to feed into 'the revived flexicurity agenda'.

The first annual review of [Employment and Social Developments in Europe](#) (ESDE) was published by the Commission on 15 December 2011 (see also Press Release [IP/11/1552](#)). Replacing 'Employment in Europe' and the 'Social Situation Report', ESDE aims to provide a comprehensive analysis of challenges facing the EU in the areas of both employment and social policy. The new publication:

focuses on changes in Europe's job structure, recent increases in income inequalities, the varying patterns of poverty and social exclusion, the problem of in-work poverty, challenges and measures in the area of active ageing, and provides an updated analysis of intra-EU labour mobility.

The 2012 edition of ESDE was published on 8 January 2013 (see [ESDE 2012](#) page and Press Release [IP/13/5](#)). It stated:

2012 has been another very bad year for Europe. After five years of economic crisis, recession has returned, unemployment has reached levels not experienced in nearly two decades and the social situation is also deteriorating. The effect of national automatic stabilisers, intended to keep up household expenditure and protect the most vulnerable, has weakened compared to early years of the crisis. With increasing long-term unemployment, marginalisation risks also increase. Groups already at a heightened risk of poverty, such as young adults, children and to some extent migrants, are now experiencing an even worse situation.

On 26 September 2012, the Communication 'Promoting cultural and creative sectors for growth and jobs in the EU' ([COM\(2012\)537](#); see also [IP/12/1012](#)) presented a strategy intended to unlock the full potential of the cultural and creative sectors in the EU to boost jobs and growth.

On 20 November 2012, with EU youth unemployment running at nearly 23%, the Commission adopted the Communication 'Rethinking Education: Investing in skills for better socio-economic outcomes' ([COM\(2012\)669](#); see also Press Release [IP/12/1233](#) and [Rethinking Education](#) page). The Communication aimed to encourage governments, education and training institutions, teachers, businesses and other partners to promote reform of education and training systems. With a particular focus on tackling youth unemployment, the Communication identified four areas where Member States should improve their efforts:

- developing world-class vocational education and training to raise the quality of vocational skills
- promoting work based learning including quality traineeships, apprenticeships and dual learning models to help the transition from learning to work
- promoting partnerships between public and private institutions (to ensure appropriate curricula and skills provision)
- promoting mobility through the proposed Erasmus for All programme

It also looked ahead to the adoption of the Youth Employment Package ...

On 26 November 2012, the Council adopted the 'Draft 2012 Joint Report of the Council and the Commission on the implementation of the renewed framework for European cooperation in the youth field (EU Youth Strategy 2010-2018)'. Known more concisely as the 'EU Youth Report', it was first issued on 10 September 2012 as [COM\(2012\)495](#) (see also Press Release [IP/12/948](#) and [EU Youth Report](#) page). In its Press Release [16501/12](#), the Council stated:

As well as reviewing the last three-year cycle, also known as EU Youth Strategy (2010-2012), the report proposes new policy recommendations and priorities for the next three years. It advocates a cross-sectoral approach at all levels in implementing the youth policy framework and recommends addressing in particular the medium- and long-term consequences of increasing youth unemployment.

The 9 January 2013 'Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe' ([COM\(2012\)795](#); see also Press Release [IP/13/12](#) and DG Enterprise & Industry [Promoting Entrepreneurship](#) page) stressed:

the key role of education and training to nurture new generations of entrepreneurs, and includes specific measures to help budding entrepreneurs among young people, women, seniors, migrants, and the unemployed. The high level of EU unemployment leaves untapped human resources, especially amongst women and young people. The plan also tackles obstacles to entrepreneurship such as ambitious measures to facilitate start-ups and new businesses, make transfers of business ownership more successful, improve access to finance, and give honest entrepreneurs a second chance after bankruptcy.

Information sources in the ESO database

Find updated and further information sources in the ESO database:

[8. Employment and labour market \[all categories\]](#)

- [Key source](#)
- [Legislation](#)
- [Policy-making](#)
- [Report](#)
- [Statistics](#)
- [News source](#)
- [Periodical article](#)
- [Textbook, monograph or reference](#)
- [Background](#)

[8.1 Employment and social affairs: General](#)

[8.1.a European employment and social affairs policy](#)

[8.1.b Employment and labour market - General](#)

[8.1.c Social dialogue](#)

[8.2 Working conditions - Work organisation](#)

[8.3 Industrial change: social implications](#)

[8.4 Consultation and participation](#)

[8.5 Management - Personnel management](#)

[8.6 Local employment initiatives](#)

[8.7 Health and safety at work](#)

[8.8 Trade unions](#)

[8.9 European Foundation for the Improvement of Living and Working Conditions](#)

Further information sources on the internet

- European Commission: DG Employment, Social Affairs and Equal Opportunities
 - [Homepage](#)
 - [Employment, Social Affairs & Inclusion website](#)
 - [Europe 2020 initiatives](#)
 - [Renewed Social Agenda](#)
 - [European Employment Strategy](#)
 - [Employment in Europe Report](#)
 - [Social dialogue](#)
- Europa
 - Policy areas: [Employment and Social Affairs](#)
 - Summaries of EU legislation
 - [Employment and social policy](#) (subsections include: [European Strategy for Growth, Priorities and objectives: the social agenda](#), [Community employment policies](#), [Social and employment situation in Europe](#), [Job creation measures](#), [Social dialogue and employee participation](#), [Employment and social policy: international dimension and enlargement](#))
- European Commission: DG Communication
 - [RAPID](#) press releases database - [Employment, social affairs and inclusion](#) (pre-set search)
 - EU news: [Employment and social rights](#)
- European Commission: DG Eurostat
 - [Labour market](#)
 - [Labour market statistics pocketbook](#)
 - [Key figures on Europe 2015](#) (see Chapter 5: Labour market)
 - [Eurostat yearbook 2012](#) (see section 5: on Labour market)
 - [Statistics Explained website](#) (see articles relevant to [labour market](#))
- Legislative and policy making information
 - [Treaty on the functioning of the European Union](#): Article 145-150
 - EUR-Lex: Legislation: [Employment and labour market](#)
 - EUR-Lex: Preparatory legislation: [Employment and labour market](#)
 - EUR-Lex: Consolidated legislation: [Employment and labour market](#)
 - EUR-Lex: Case Law: [Employment and labour market](#)
 - EUR-Lex: Summaries of EU Legislation: [Employment and labour market](#)
 - European Commission: DG [Employment and labour market](#)
- Court of Justice of the European Union: InfoCuria
[Homepage](#): at 'Subject-matter' box, click icon at far right to open list of subjects. Choose 'Employment' and click 'Enter' to return to main search page. Select dates if required. Hit 'Search' at top or bottom of page.
- European Parliament: Legislative Observatory (OEIL)
[Homepage](#): Carry out a [Search](#): scroll down right-hand menu and expand 'Subject'; then expand 'Economic, social and territorial cohesion'; then expand 'Employment policy ...' and select appropriate sub-heading.
- Council of the European Union
 - [Employment, Social Policy, Health and Consumer Affairs Council](#) (EPSCO)
- European Parliament
 - [Employment and Social Affairs Committee](#) (EMPL)

- European Parliament: Fact Sheets
 - Section on [Common policies](#) has subsection on social and employment policy, including Fact Sheets on [Social and employment policy: general principles](#), [Employment policy](#), [Workers' rights to information, consultation and participation](#), [Social dialogue](#)
- Committee of the Regions
 - [Commission for Economic and Social Policy](#) (ECOS)
- European Economic and Social Committee
 - [Section for Employment, Social Affairs and Citizenship](#) (SOC)
- European Employment Observatory (EEO)
 - [Homepage](#)
 - [Thematic outputs](#)
- European Foundation for the Improvement of Living and Working Conditions
 - [Homepage](#)
 - [Employment status](#)
 - [Labour market](#)

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February 2013

Original compilation: April 2000 (Freda Carroll)
 Revised: 2005 (Rohan Bolton), 2008, 2011, 2012 (Eric Davies)
 Hyperlinks checked: 2016 (Bastien Beauducel)