



NEWS FROM THE EUROPEAN EMPLOYMENT OBSERVATORY

Issue 56: January 2009

The January 2009 newsletter reports on the recent European employment and labour market policy developments that took place from November 2008 to January 2009. (Newsletter Issue 55 covered the period of November and December 2008, although that Issue focussed on the impact of the global financial crisis.)

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1. Informal Employment and Social Affairs Council

On 22-23 January 2009, the Informal Council meeting of Ministers for Employment and Social Affairs took place in the Czech Republic. Under the Presidency of Petr Nečas, Czech Minister of Labour and Social Affairs, the Ministers discussed the following issues:

- How to further promote workers' mobility (geographical, professional and mobility towards employment); and
- How to reach an agreement on the Working Time Directive before the end of the current legislature.

The Informal Council was preceded by a meeting of the Labour Ministers of the Social Troika with European Social Partners and the European Social Platform.

For more information:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=446&furtherNews=yes>

2. Commission proposed the European Economic Recovery Plan

On 26 November 2008 the European Commission presented a comprehensive European Economic Recovery Plan to drive Europe's recovery from the current economic crisis. The Plan includes both short-term measures to boost demand, save jobs and help restore confidence, as well as 'smart investment' to yield higher growth and sustainable prosperity in the longer-term.

The Plan calls for a timely, targeted and temporary fiscal stimulus of around EUR 200 billion or 1.5 % of EU GDP, within both national budgets (around EUR 170 billion, 1.2 % of GDP) and EU and European Investment Bank budgets (around EUR 30 billion, 0.3 % of GDP). Every Member State is called upon to take measures necessary within the national contexts.

To speed up and strengthen recovery as well as to help prevent future crises, the Commission's Plan also provides for ambitious structural reforms tailored to the needs of individual Member States. Some of these reforms will be complementary to the fiscal stimulus in boosting demand, for example, by supporting consumer purchasing power and making markets work better.

The full text of the Plan is available at:

http://ec.europa.eu/commission_barroso/president/index_en.htm

3. Cohesion Policy at centre of the European Economic Recovery Plan

On 16 December 2008 the European Commission adopted a report highlighting the contribution of cohesion policy to the European Economic Recovery Plan and its support for the real economy.

The report details measures to accelerate 'smart investment' at national and regional level by simplifying access to grants, facilitating support to people hit by the crisis and increasing the availability of finance for small and medium sized enterprises (SMEs).

For more information:



<http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=433&furtherNews=yes>

4. 'New Skills for New Jobs' initiative to better match and anticipate labour market needs

As part of the European Economic Recovery Plan, on 16 December 2008 the European Commission presented proposals for better job matching and more effective ways to analyse and predict skills needed in the future labour market. The 'New Skills for New Jobs' Communication proposed a series of actions to match skills with vacancies, to organise skills assessments on a permanent basis, to pool the efforts of Member States and other international organisations, and to develop better information on future needs.

The European Commission proposed to improve the monitoring of short-term trends and to develop tools for better matching skills with job vacancies in the European labour market. The Commission also plans to develop better information on skills needs in the EU in the medium and long-term, with regularly updated projections of future labour market trends and analysis of skills needs by sector. Moreover, the Commission will help Member States and regions and all actors involved in the upgrading and matching of skills by mobilising existing Community policies and funds, especially the European Social Fund.

For more information:

http://ec.europa.eu/education/news/news1110_en.htm

5. Improved European Globalisation Adjustment Fund to help redundant workers

As part of the European Economic Recovery Plan, on 16 December 2008 the European Commission proposed improvements to the European Globalisation Adjustment Fund (EGF) in order to help workers that were made redundant as a result of the economic crisis. The new proposals should make the EGF a more effective intervention instrument, in line with its objective of solidarity towards workers who have lost their jobs.

To achieve this, the proposal makes changes to the existing EGF regulation (1927/2006) which should enhance the performance of the Fund by:

- Lowering the eligibility threshold for EGF applications from 1 000 to 500 redundant workers;
- Extending the duration of EGF support to 24 months (currently 12 months);
- Increasing the EU financial contribution from 50 % to 75 %;
- Temporarily broadening the scope of eligibility for assistance under the EGF to encompass workers adversely affected by the economic and financial crisis.

For more information:

<http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=432&furtherNews=yes>



6. Help from EU Globalisation Fund to Spain and Lithuania

In December 2008, the European Commission made payments totalling EUR 10.7 million from the European Globalisation Adjustment Fund (EGF). A payment of EUR 10.4 million will be received by Spain to help some 1 600 workers made redundant when the American multinational Delphi decided to close down its factory in Cádiz and offshore production to its existing plant in Tangiers. A further EUR 298 000 will help 600 dismissed textile workers from Alytaus Tekstilė in southern Lithuania to get back into work as quickly as possible.

For more information:

<http://ec.europa.eu/social/main.jsp?catId=326&langId=en&newsId=426&furtherNews=yes>

7. Economic slowdown hits labour market

On 19 December 2008 the European Commission released an analytical review which shows that EU economy is suffering from the ongoing global financial crisis and the recent housing market downturn witnessed in several Member States.

According to the review, economic output for the EU contracted marginally (by 0.2 %) in the third quarter of 2008, having already come to a standstill in the previous quarter. The economic slowdown is also starting to have a stronger impact on labour markets. In the third quarter, employment growth in the EU came to a standstill with zero quarter-on-quarter growth, reflecting underlying employment contraction or stagnation in most large Member States (except Germany and Poland).

The Quarterly Labour Market Review - Winter 2008 is available at:

<http://ec.europa.eu/social/main.jsp?catId=113&langId=en&newsId=441&furtherNews=yes>

8. Free movement of workers positive impact on Europe's economy

On 18 October 2008 European Commission published a report which shows that mobility of workers from the countries that joined the EU in 2004 and 2007 have had a positive impact on Member States' economies.

The report finds that mobile workers from Bulgaria, Romania and the EU-8 have made a significant contribution to sustained economic growth over recent years by addressing labour market shortages, without making heavy demands on welfare states. At the same time, there is little evidence that workers from the new Member States have displaced local workers or driven down their wages in a significant way, even in those countries where the inflows have been greatest, although there have been some temporary adjustment problems in specific areas.

For more information:

<http://ec.europa.eu/social/main.jsp?catId=25&langId=en&newsId=414&furtherNews=yes>



9. Four EU countries lift labour market restrictions for Bulgarian and Romanian workers

On 8 January 2009 the European Commission announced that Greece, Spain, Hungary and Portugal have joined ten other EU Member States in lifting restrictions on access to their labour markets for Bulgarian and Romanian workers. All eleven Member States that continue to restrict labour market access by applying national law can end these restrictions at any time up to 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 when full free movement of workers will apply across the EU-27.

For more information:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=442&furtherNews=yes>

10. Resource pack on migration in Europe

On November 2008 the European Foundation for the Improvement of Living and Working Conditions (Eurofound) published a new resource pack on migration. It examines migration patterns and highlights the associated opportunities and challenges of cross-country mobility.

The findings show that 49 % of Europeans think that mobility is a good thing for an individual, while 50 % think there are advantages for the economy. However, only 4 % of workers have actually seized the opportunity and moved to another Member State, according to the figures published in the resource pack. Moreover, even if faced with future unemployment, no more than 31 % of the employed EU population would be ready to move to another country in the EU.

The main impediment for leaving parental home locations is a fear of losing contact with family and friends (44 % of respondents). Accordingly, 17 % of those who had actually moved did report deterioration in their contact with family and friends. The challenge of having to learn a new language is also often quoted as a disincentive to cross-country mobility.

The resource pack 'East, west, home is best? Migration in Europe' is available at:

<http://www.eurofound.europa.eu/press/releases/2008/081113.htm>

11. Directive to improve the role of European Works Councils

In December 2008 the European Parliament and the Council adopted, at first reading, the Commission's legislative proposal on the role of European Works Councils.

The new Directive recasts the 1994 legislation on European Works Councils, adapting them to changes in the economic and social context. The significant increase in multinational businesses over recent years means that workers need to be appropriately informed of, and consulted on, transnational matters, while European Works Councils need to be linked to national staff representation bodies. The Directive also provides for the training of workers' representatives in European Works Councils. Finally, the Directive facilitates the creation of new Works Councils.

For more information:



<http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=438&furtherNews=yes>

12. Dispute surrounding European Working Time Directive is set to continue

On 17 December 2008 the Parliament rejected the Common Position adopted by the Council in June 2008 in relation to the Working Time Directive. Important differences remain between the positions of the Parliament and the Council on key issues, such as the opt-outs and on-call time at the workplace. Ministers will prepare for talks which will follow in the next few months with the European Parliament.

For more information:

<http://www.euractiv.com/en/social/europe/parliament-gives-working-time-opt-outs-red-card/article-178176>

13. EU helps defence industry workers

On 8 December 2008 the European Commission and the main actors in the defence industry launched a new partnership to help better anticipate and manage the changes facing the sector. The initiative brings together the Commission and the Aerospace & Defence Industries Association of Europe (ASD), the European Metalworkers Federation (EMF) and the European Defence Agency (EDA). It will monitor developments in the industry, while the partners will exchange know-how on anticipating skills needs and managing restructuring in a socially responsible way.

For more information

<http://ec.europa.eu/social/main.jsp?catId=329&langId=en&newsId=427&furtherNews=yes>

14. European summit on the equality of men and women in working life

On 13 and 14 November 2008 the French Presidency of the European Union organised a conference in Lille on the equality of men and women in working life. The event brought together a wide-ranging panel of European participants, representing institutional bodies and the general public. At the same time, an informal meeting of ministers responsible for equal opportunities was held to discuss the pay gap and making use at European level of good business practices.

The round table debates made it possible both to clarify the challenges of equal opportunities for men and women in working life and also to define the objectives to be attained and to make the most of the good practices which exist in European countries. In addition the Troika Ministers (France, the Czech Republic and Sweden) adopted a programme on equality between men and women covering the next 18 months.

For more information:

<http://ec.europa.eu/social/main.jsp?catId=418&langId=en&newsId=413&furtherNews=yes>



15. Commission acts against six countries on gender equality legislation

On 27 November 2008 the Commission sent opinions to Austria, Lithuania, Slovenia, Hungary, Italy and Malta on the lack of full implementation of the EU rules prohibiting discrimination in employment and occupation on the grounds of sex. The main problems include definitions of direct and indirect discrimination; rights of women on maternity leave; and the functioning of equality bodies. The six countries have two months to respond; otherwise, the Commission can pursue the matter in the European Court of Justice (ECJ).

For more information:

<http://ec.europa.eu/social/main.jsp?catId=418&langId=en&newsId=423&furtherNews=yes>

16. European Parliament approves more flexible basis for the European Training Foundation (ETF)

On 16 December 2008 the European Parliament voted in favour of updating the function and mandate of the European Training Foundation (ETF) which supports education and training in countries surrounding the EU. This new legal basis will give ETF more flexibility to meet the needs of Commission services and partner countries. In line with the update, the agency's current focus on vocational education and training (VET) will be broadened by introducing the concept of 'human capital development', which embraces continuous education and integration into the labour market.

For more about the ETF:

http://www.etf.europa.eu/web.nsf/pages/Home_EN?OpenDocument

17. The Employment in Europe Report 2008

In November 2008, the European Commission issued the 20th edition of the Employment in Europe Report, which gives a comprehensive overview of the employment situation in the EU, as well as an analysis of key labour market issues.

The key findings of the 2008 report include:

- A generally solid employment performance in the EU and continuing employment creation, albeit at a reduced pace in the first half of 2008;
- Although a trade-off between employment and productivity growth may exist in the short to medium run, the implementation of an adequate policy mix has the potential to mitigate it;
- Recent immigrant have made a significant contribution to overall economic and employment growth in the EU since 2000, addressing labour and skill shortages and increasing labour market flexibility;
- The evidence accumulated since the 2004 enlargement suggests a generally positive economic impact of recent EU mobility and no serious labour market disturbances.

The full report is available at:

<http://ec.europa.eu/social/main.jsp?catId=113&langId=en&newsId=415&furtherNews=yes>



18. Restructuring in Europe Report 2008

On 16 December 2008 the Restructuring in Europe Report was published by the European Commission. The report presents a global overview of the EU's main strategies, policies and actions to anticipate change and tackle the negative effects of restructuring. It reviews and analyses the principal factors of change affecting economies such as globalisation, technological change, demographic ageing and climate change. It also examines the enlargement of the EU to countries in central and eastern Europe in terms of important changes it brought to Member States' economies.

According to the report, in the 2002-2007 period there were over 7 000 cases of large-scale restructuring in Member States, as recorded by the European Restructuring Monitor. Until now, these cases equate to just over 2.9 million jobs. With regard to the effects of the economic crisis, an increase in cases of restructuring in the coming months is to be expected in the coming months as a result of slowing economic growth in the European Union.

For more information:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=434&furtherNews=yes>

19. The European Commission's report on demography

On 24 November 2008 the European Commission published a report on demography which indicates that the number of elderly workers increased during the first decade of the new millennium. The report confirms that as the 'baby boomer' generation eases into retirement, the balance between people of working age and retirees in Europe is shifting. While over the past decade, the number of over-60s in Europe has been growing by approximately 1.5 million per year, this figure will increase to two million per year for the next 25 years.

On the other hand, figures for 2007 indicate that on the whole, 50 % of men and 40 % of women aged 60+ were in employment – only slightly short of the Lisbon 2010 target of 50 %. According to the report, the 1990s trend of early retirement has been reversed, and 'ageing baby-boomers' have the 'potential to make a major contribution to the economy through their participation in the labour force'.

For more information:

<http://www.euractiv.com/en/social/europe/report-number-elderly-workers-rise/article-177446>

20. Study in temporary agency work and collective bargaining in the EU

In December 2008 the European Foundation for the Improvement of Living and Working Conditions published a review of the present situation regarding the use of temporary agency work (TAW) in European Union Member States. The study was compiled on the basis of individual national reports submitted by the European Industrial Relations Observatory (EIRO) correspondents.

The report draws attention to arrangements for social dialogue and collective bargaining at national level across the EU. It examines the role of collective bargaining in determining such matters as length of assignment, the use of TAW in strikes, and the



proportion of agency workers allowed; it also examines the role of collective bargaining in determining equality of treatment in pay, training and other conditions of employment.

The full text of the report is available at:

<http://www.eurofound.europa.eu/eiro/studies/tn0807019s/index.htm>