



Labours of union

Jobs are valued by Europeans, not just for the economic benefits they bring, but also for their importance to people's sense of self and the social value attached to work. But with the challenges posed by globalisation and the recent economic crisis, European countries are working hard to create new jobs and safeguard existing ones. That is why they have been increasingly coordinating their efforts at EU level.

Facts and figures

For the better part of a decade, the EU economy experienced healthy growth and created millions of new jobs. For example, in the first 10 years of the euro, between 1999 and 2008, the euro area alone witnessed employment grow at twice the rate of the previous decade, leading to the creation of 16 million jobs and the slashing of the unemployment rate to 7% from 9%¹.

However, the recent financial crisis and the recession it triggered in Europe and other parts of the world, is threatening many of these employment gains². The EU's unemployment rate³ has been growing since the first quarter of 2008. Nevertheless, the shock has been less severe in Europe than in the United States, whose unemployment rate has overtaken that of the Union's, despite having been lower prior to the crisis. In the first quarter of 2010, EU unemployment reached 9.6% compared with 6.7% in the first quarter of 2008. That means that roughly one in ten of the European labour force is out of work. In July 2010, the actual number of unemployed workers in the EU stood at just over 23 million, according to Eurostat estimates⁴.

Moreover, these aggregate figures mask a large gap between and within Member States, as well as between different socio-economic groups. By country, the unemployment rate ranged from a low of around 4% in Austria and the Netherlands to a high of around 20% in Spain and Latvia.

The young have been hit disproportionately by the economic crisis, with the unemployment rate for people under 25 standing at just over 20% for the EU as a whole. This reflects the difficulty youth face in entering a stretched

and competitive labour market. But employment levels do not just differ according to age – education is also another defining factor. While the unemployment rate in the EU for those who had obtained a tertiary qualification was 4.5%, it reached 12.8% for Europeans with a secondary school or lower qualification.

Future prospects

It looks like the EU labour market is turning the corner and heading towards recovery. The September 2010 issue of the Union's monthly labour market monitor⁵ revealed that the unemployment level had been falling since May. The report projects that the EU labour market may perform somewhat better in 2010 than previously thought, driven by a faster-than-expected economic recovery.

Despite these tentative signs of recovery, the coming years will be tough ones. In fact, there could be as many as 10 million fewer jobs in the EU over the coming decade. The percentage of workers in employment is likely to recover to the 2008 level only by 2020, according to a recent study by Cedefop, the European Centre for the Development of Vocational Training⁶.

The labour market monitor forecasts that there will be some 77 million job openings for the next decade, most of which (around 70 million) will be to replace retiring employees as the EU's population ages. Of the 7 million new jobs which will be created, the majority will be in knowledge- and skill-intensive occupations, such as high-level managerial roles and professional or technical jobs. While the proportion of medium-qualified workers will remain constant at





just over half, the percentage of highly qualified jobs will rise to 35%, in 2020, from the current 29%. This means that 'routine' jobs will decline, with around 4 million job losses projected for skilled manual workers and 2 million for office clerks.

In order to meet these tough future challenges, Europe needs to harness a wide range of economic and social policies to prepare workers for the changing nature of the job market and to deal creatively with the consequences of unemployment.

EU policy

Employment has been a central plank of the European integration project from the very start. For example, the European Coal and Steel Community (ECSC)⁷, according to the 1951 Treaty of Paris⁸ establishing it, aimed to "contribute to economic expansion, the development of employment and the improvement of the standard of living".

The European Economic Community (EEC) – which was founded by the 1957 Treaty of Rome⁹ – sought to create prosperity and peace in post-War Europe by creating a common market not only in goods and services, but also in labour and capital. In fact, freedom of movement for labour was a founding objective of the EEC and provides the initial context of European employment regulation. The Treaty of Rome, which tasked the European Commission with promoting close co-operation between Member States in the fields of employment and labour law, also paved the way to the establishment of the European Social Fund, whose main function it defined as "to improve employment opportunities for workers in the common market"¹⁰.

The next significant step in the evolution of EU employment policy came in the 1970s, with the launching of the First Social Action Programme in January 1974¹¹. Its three main goals were: full and better employment, the

Policy milestones

- 1951 Treaty of Paris puts employment on the European map
- 1957 Treaty of Rome guarantees the free movement of labour and creates the European Social Fund
- 1974 First European Social Action Programme launched
- 1986 Single European Act grants the EU competence in the working environment and health and safety at work
- 1992 Maastricht Treaty upgrades EU's employment-related powers
- 1994 European Agency for Health and Safety at Work established
- 1997 Amsterdam Treaty gives EU a robust role in coordinating the employment policies of Member States
- 2000-2010 Lisbon Strategy sets employment targets and 2005 relaunch seeks to promote more growth and jobs

Future challenges

- 2010-2020 Implementing the ambitious employment aspects of the Europe 2020 strategy

improvement of living and working conditions, and the increased involvement of management and labour in the economic and social decisions of the EEC.

But the EU still did not enjoy any direct powers in the employment field. This began to change in the 1980s. The 1986 Single European Act¹² granted the Union competence in relation to the working environment and health

The skills challenge

As part of its mission of helping to ensure that vocational education and training meets the needs of the citizen, the labour market and society, the European Centre for the Development of Vocational Training (Cedefop) researches and analyses the talents of Europeans and the skills needs of industry.

In an ideal world, everyone would have a job that perfectly matches his or her skills. However, many Europeans are either overqualified or under-qualified for the jobs they are doing, while other positions remain vacant because a person with the requisite skills cannot be found.

Given the employment and demographic challenges facing Europe, this kind of 'skill mismatch' has risen up the policy agenda. According to a recent report on the issue¹³, skill mismatch is a widespread phenomenon in

Europe, with overeducation affecting around 30% of Europeans, while a substantial share of the population are under-educated.

When it comes to skills shortages, several factors are involved, the report concludes, such as insufficient investment in training and education, training systems responding slowly to market changes, skill-biased technological progress and changing business cycles, which could lead to what is known as 'skills obsolescence'. Not only do skills shortages and skills gaps cause unnecessary unemployment, but they can also lead to a loss of competitiveness by adversely affecting the performance of companies.

Mismatches affect certain groups more than others. These include young people entering the labour market, older workers, females, ethnic minorities and the disabled.



► Job matchmakers

Every year, the European Commission and the European Job Mobility Portal (EURES) join forces to organise European Job Days¹⁴ which bring together jobseekers and employers across the EU. The central event takes place in Brussels¹⁵, with national events in most Member States of varying sizes and focuses (to find events in your country, go here¹⁶).

In addition to trying to match employers with job hunters, European Job Days also seek to promote mobility. Participants receive information on working or hiring from abroad, including job – matching services and concrete practical advice. Jobseekers are encouraged to bring copies of their CV, while employers can use the event to spread the word on current vacancies.

and safety at work¹⁷. Towards that end, the EU established¹⁸ the European Agency for Health and Safety at Work¹⁹ in 1994. The Union also agrees regular strategies for work-related health and safety issues – the latest covers the period 2007-2012²⁰.

EU gets a new job

The structural and macroeconomic difficulties experienced in the 1990s, as well as the challenges of globalisation, demonstrated the need for a coordinated response at European level and prompted Member States to accelerate this process. In 1992, the Maastricht Treaty²¹, which opened the door to political integration, upgraded the EU's employment-related powers to include additional areas like adequate social protection, the development of human resources and the integration of Europeans excluded from the labour market.

Not long after, in 1997, the Amsterdam Treaty²² granted the EU a robust role in coordinating the employment policies of Member States²³. It included a new chapter on employment which, while safeguarding the powers of the Member States, focuses on developing and implementing a coordinated employment strategy²⁴. This European Employment Strategy sought to strengthen the coordination of national employment policies towards a series of common objectives and targets in four areas, namely employability, entrepreneurship, adaptability and equal opportunities. The promotion of a skilled labour force and a labour market which is more responsive to economic change also became a “matter of common interest”.

At the turn of the millennium, EU leaders agreed the ambitious Lisbon Strategy²⁵ in 2000 which sought to transform Europe into an innovative and competitive knowledge-based economy and society. The 10-year strategy's employment pillar set precise targets for the employment rate: 70% overall, 60% for women and 50% for older workers. Following a mid-term review, which found progress had been sluggish, the EU relaunched the Lisbon Strategy in 2005²⁶, with an increased emphasis on generating the kind of growth that would lead to greater job creation²⁷.

Given the increasing mobility of European citizens and EU efforts to promote further movement, greater coordination in the area of social security has become essential. This was reflected in 2004 with the passing of EU legislation

on the coordination of social security systems²⁸ and the creation of an EU programme, known as Progress²⁹, for employment and solidarity.

Towards inclusive growth

While the Lisbon Strategy came at a time when Europe was witnessing the greatest prosperity for a generation, its successor, the 'Europe 2020' strategy³⁰, has emerged at the tail – end of the worst economic crisis since the 1929 Wall Street stock market crash, which has been branded the 'Great Recession'. Europe 2020 seeks not only to navigate a course out of the current crisis, but it also aims to promote renewed economic growth that is smart, green and inclusive.

The inclusiveness pillar of the strategy endeavours not only to create jobs but to ensure that this employment growth extends to all social groups, including the most vulnerable, and to make sure that effective social cohesion mechanisms fill the remaining gap. Europe 2020 has the ambitious target of achieving an employment rate of 75% and reducing the number of people threatened by poverty by 20 million. This is also an expression of the EU's commitment to equal opportunities³¹ and anti-discrimination, since the burden of unemployment tends to fall heaviest on the most excluded groups, such as the disabled³².

► Did you know that ...

- During the first decade of the euro's existence (1999-2008), 16 million new jobs were created in the euro area alone
- On the back of the economic crisis, EU unemployment has risen to nearly 10% from under 7% in 2008
- There are 23 million unemployed people in the EU
- The unemployment rate for the under-25s stands at over 20%
- There are some 4 million unfilled vacancies in the EU owing to skills shortages
- Despite signs of recovery, the EU is only likely to create some 7 million new jobs over the next decade



At least two of Europe 2020's flagship programmes serve the employment aspect of its inclusiveness pillar. One is the Agenda for New Skills and Jobs³³ that will help both improve employment and enhance the sustainability of Europe's social models through such measures as promoting greater 'flexicurity'³⁴, which combines employment flexibility with security. The other is Youth on the Move³⁵ which seeks to improve the employment situation of young people. As the name suggests, the initiative supports more and better opportunities for youth to learn in different places and environments.

Further information

- ▶ The European Job Mobility Portal (EURES)³⁶
- ▶ Youth on the Move³⁷
- ▶ Jobseeker Wizard for regulated professions³⁸
- ▶ Social security systems in all Member States³⁹
- ▶ Quick links for jobseekers⁴⁰

Communicator's toolkit

- ▶ Your Europe section on work with special sub-sections for pensioners, jobseekers, migrant workers, cross-border workers, postings abroad and civil servants⁴¹
- ▶ Restructuring toolkit⁴²
- ▶ Video on modernised social security⁴³
- ▶ Video on modernised EU social security coordination⁴⁴
- ▶ Video on micro-finance⁴⁵
- ▶ Video on 'how free is free movement of workers from eastern Europe?'⁴⁶
- ▶ Video on European Globalisation Fund⁴⁷
- ▶ Video on ESF⁴⁸
- ▶ ESF videos by theme⁴⁹
- ▶ Video on new skills for new jobs⁵⁰
- ▶ Fact sheets on 'what social Europe can do for you'⁵¹
- ▶ FAQs on pensioners⁵²
- ▶ FAQs on jobseekers⁵³
- ▶ FAQs on migrant workers⁵⁴
- ▶ FAQs on cross-border workers⁵⁵
- ▶ FAQs on postings abroad⁵⁶
- ▶ FAQs on civil servants⁵⁷

1 http://ec.europa.eu/economy_finance/een/010/article_6946_en.htm
2 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Impact_of_the_economic_crisis_on_unemployment
3 <http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/10/67&type=HTML>
4 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics
5 <http://ec.europa.eu/social/BlobServlet?docId=5764&langId=en>
6 http://www.cedefop.europa.eu/EN/Files/3052_en.pdf
7 http://europa.eu/abc/history/1945-1959/1951/index_en.htm
8 http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_ecsc_en.htm
9 http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_eec_en.htm
10 http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_eec_en.htm
11 <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/socialactionprogramme.htm>
12 http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_singleact_en.htm
13 http://www.cedefop.europa.eu/EN/Files/3056_en.pdf
14 <http://ec.europa.eu/eures/main.jsp?lang=en&catId=9470&myCatId=9470&parentId=20&acro=news&function=newsOnPortal>
15 http://www.jobdays.eu/candidats/?page_id=1161&lang=en
16 <http://ec.europa.eu/eures/main.jsp?lang=en&acro=calendar&eventCalendar=init>
17 http://europa.eu/legislation_summaries/employment_and_social_policy/health_hygiene_safety_at_work/index_en.htm
18 http://europa.eu/legislation_summaries/employment_and_social_policy/health_hygiene_safety_at_work/c11110_en.htm
19 <http://osha.europa.eu/en>
20 http://europa.eu/legislation_summaries/employment_and_social_policy/health_hygiene_safety_at_work/l10114_en.htm
21 http://europa.eu/legislation_summaries/economic_and_monetary_affairs/institutional_and_economic_framework/treaties_maastricht_en.htm
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23 http://europa.eu/legislation_summaries/institutional_affairs/treaties/amsterdam_treaty/a13000_en.htm
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32 http://europa.eu/legislation_summaries/employment_and_social_policy/disability_and_old_age/index_en.htm
33 <http://ec.europa.eu/social/main.jsp?catId=568&langId=en>
34 http://europa.eu/legislation_summaries/employment_and_social_policy/community_employment_policies/c10159_en.htm
35 <http://europa.eu/youthonthemove/>
36 <http://ec.europa.eu/eures/main.jsp?catId=3&acro=eures&lang=en>
37 <http://europa.eu/youthonthemove/>
38 http://ec.europa.eu/internal_market/qualifications/regprof/index.cfm?fuseaction=wizard.recognition
39 http://ec.europa.eu/employment_social/social_security_schemes/national_schemes_summaries/index_en.htm
40 http://europa.eu/quick-links/job-seekers/index_en.htm
41 http://ec.europa.eu/youreurope/citizens/work/index_en.htm
42 <http://ec.europa.eu/social/BlobServlet?docId=2800&langId=en>
43 <http://ec.europa.eu/social/main.jsp?catId=702&langId=en&videoId=2449&vI=en&furtherVideos=yes>
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45 <http://ec.europa.eu/social/main.jsp?catId=673&langId=en&videoId=2451&vI=en&furtherVideos=yes>
46 <http://www.europarlrtv.europa.eu/YourParliament.aspx?action=viewVideo&packageId=2f7f8da9-d83f-42fa-a595-4f63045a255c>
47 <http://ec.europa.eu/social/main.jsp?catId=326&langId=en&videoId=1621&vI=en&furtherVideos=yes>
48 <http://ec.europa.eu/social/main.jsp?catId=325&langId=en&videoId=2261&vI=en&furtherVideos=yes>
49 http://ec.europa.eu/employment_social/esf/video/videos_en.htm
50 <http://ec.europa.eu/social/main.jsp?catId=822&langId=en&videoId=1102&vI=en&furtherVideos=yes>
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