



NEWS FROM THE EUROPEAN EMPLOYMENT OBSERVATORY

Issue 59: July-August 2009

The EEO July-August 2009 Newsletter covers the following topics:

- Latest activities in the field of employment at the EU level, including:
 - Informal Employment and Social Affairs Council in July,
 - Simplification of rules for financial management of the EU funds,
 - Proposal for an EU micro-credit finance facility,
 - EMCO report on measuring flexicurity,
 - New rules on the coordination of social security regimes,
 - Proposal for extended parental leave,
 - Second annual report on the European Globalisation Fund.
- Activities of the European Employment Observatory,
- Activities of the Mutual Learning Programme,
- Latest labour market research publications.

The next EEO newsletter (September-October 2009) will be available in early November 2009.

1 ACTIVITIES IN THE FIELD OF EMPLOYMENT AT THE EU LEVEL

Informal Employment and Social Affairs Council

An informal meeting of the Council of Ministers for Employment and Social Affairs took place in Jönköping (Sweden) on 8 and 9 July 2009.

The informal Council focussed mainly on the subject of labour market inclusion, which is one of the main priorities of the Swedish Presidency. Ministers discussed this long-term challenge to help the EU emerge stronger from the present crisis and provide an important contribution to the preparation of the Lisbon Strategy on Growth and Jobs post-2010.

Ministers also discussed the Working Time directive. After the failure in April 2009 of the conciliation procedure between Parliament and Council on the amendment of the current Directive, Ministers and the Commission discussed the present situation and the follow-up required.

The Council was preceded by a meeting of the trio of Presidencies (Sweden, Spain and Belgium) with the social partners and the Platform of European Social NGOs. The purpose of the meeting was to give participants an opportunity to exchange views



informally on the general theme of the informal Council (labour market inclusion) so as to provide input to the ministerial discussions which followed.

Further information can be found on:

http://www.se2009.eu/en/meetings_news/2009/7/6/informal_meeting_of_the_epsco_council

Simplification of rules for financial management of EU funds as a response to the economic crisis

On 22 July 2009 the European Commission adopted new measures aimed at simplifying management rules for the Cohesion Policy. The changes announced are intended to facilitate the implementation of the 455 Cohesion Policy programmes planned for 2007-2013, representing a total investment of EUR 347 billion, or more than a third of the Community budget.

The changes introduced clarify certain rules and simplify the day-to-day management of the European Funds. The principal measures are:

- In 2009 and 2010, as part of its 'anti-crisis' measures, the Commission may at the request of the Member States reimburse 100% of the public costs declared by the Member States for projects financed by the ESF. Specifically, Member States will not be obliged to provide national co-financing, thus speeding up the implementation of projects to support employment.
- The Commission proposes establishing a single category of 'major project'. Previously, the Commission's approval was required for projects where the total cost exceeded EUR 25 million for the environment and EUR 50 million for other sectors. The threshold for approval is now set at EUR 50 million for all areas.
- The rules relating to 'revenue-generating' projects (for example, toll motorways or projects involving the leasing or sale of land) are also simplified in order to reduce the administrative burdens on the Member States.
- Cohesion Policy programmes may be simplified by Member States to take account of the new realities. In addition, certain provisions concerning the obligation to maintain investments over a five-year period will not apply to undertakings which go bankrupt.
- Investments in sectors linked to energy efficiency and the use of renewable energies in housing will be encouraged, given their considerable potential to provide growth and jobs.
- The Commission proposes a modification aimed at increasing flexibility with regard to the rules on de-commitment. For example, grants for a major project will in principle be protected as soon as the Member State submits the project to the Commission. Grants are currently only protected once the Commission has approved the project.
- The European Regional Development Fund (ERDF) will be able to support the renovation or construction of housing for communities faced with social exclusion, particularly Roma, in both rural and urban areas. Previously, the construction of housing was ineligible under the ERDF and only housing in urban areas was eligible for renovation.



Further information can be found on:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=561&furtherNews=yes>

Proposal for an EU micro-finance facility to help unemployed start small businesses

On 2 July 2009 the European Commission has proposed to set up a new microfinance facility providing microcredit to small businesses and to people who have lost their jobs and want to start their own small businesses.

It will have an initial budget of EUR 100 million, which could leverage more than EUR 500 million in a joint initiative with international financial institutions, in particular the European Investment Bank (EIB) Group. The new facility is one of the actions announced in the Commission's communication 'A Shared commitment for employment' on 3 June 2009.

This new initiative could result in around 45 000 loans over a period of up to eight years. In addition, the possibility to apply to the loans interest rate rebates from the European Social Fund will make it easier for people to access the funds.

Micro-credit in the EU means loans under EUR 25 000. It is tailored to micro-enterprises, employing fewer than 10 people (91 % of all European businesses), and unemployed or inactive people who want to go into self-employment but do not have access to traditional banking services. 99 % of start-ups in Europe are micro or small enterprises and one third of these are launched by people who are unemployed.

For more information consult:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=547&furtherNews=yes>

EMCO report on measuring flexicurity

The EU's Employment Committee (EMCO) approved on 24 June 2009 a report showing how flexicurity policies can be monitored in the Member States. The report highlights a series of indicators that provide a basis for analysing flexicurity policies in each Member State.

EMCO Indicators' Group has worked to provide technical advice and support by identifying and developing indicators to monitor, analyse and present the performance of Member States with the respect to flexicurity.

The assessment of flexicurity is complex and requires a holistic approach to appraise the combination and the interaction between the four dimensions of flexicurity: contractual arrangements, lifelong learning, active labour market policies and modern social security systems.

This report summarises how flexicurity policies can be monitored and analysed within the present framework of European Employment Strategy indicators.

The report can be consulted on:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=582&furtherNews=yes>

Revised rules on social security coordination

On 30 July 2009 the EU Council of Ministers and European Parliament have approved a legislative package on social security coordination in the EU. These new rules are intended to modernise the system for coordinating national social security regimes in the EU as from May 2010.



The following groups will be mostly affected by the new arrangements:

- Tourists,
- Mobile workers,
- Job seekers,
- Pensioners.

The new social security coordination rules extends the scope of people covered in the coordination schemes, include a launch of a new electronic information exchange network, and introduce a possibility of a temporary affiliation to a social security scheme. The rules are aimed at not creating new social security entitlements, but ensuring that such benefits are not lost when people move to live in another country.

Further information can be found at:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=576&furtherNews=yes>

Proposal for extended parental leave

On 30 July 2009 the European Commission has adopted a proposal to increase the existing right to take parental leave from three to four months per parent and apply it to all employees, regardless of their type of contract.

If adopted by Member States in the Council, the proposal would give legal effect to a recent agreement negotiated by European trades unions and employers' organisations and signed on 18 June 2009.

The most important elements of the Commission's proposal are the following:

- Four months of leave per parent (compared to three previously), of which at least one month is strictly non-transferable between parents;
- Right of parents returning from parental leave to request changes to their working hours or patterns, which employers must consider and respond to;
- Clear inclusion of part-time, fixed-term and agency workers, but maintenance of the possibility of a qualification period which shall not exceed one year;
- Protection of the worker not only against dismissal, but also against less favourable treatment on grounds of taking parental leave.

Further information on the proposal can be found on:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=575&furtherNews=yes>

Second annual report of the European Globalisation Fund

On 31 July 2009 a second annual report on the activities of the European Globalisation Fund (EGF) was published. The EGF was set up by the EU to help workers facing restructuring due to the impacts of globalisation and global economic changes.

The second annual report shows an increasing uptake of the funds by EU countries for measures to support workers dismissed as a result of globalisation. It also reports on the outcome of the first EGF contributions in terms of helping the redundant workers into new jobs.

The report states that in 2008 the Commission received five applications for a contribution from the EGF. These applications, submitted by Italy, Spain and Lithuania, related to 6 587 redundancies and requested a total amount of around EUR 20 million.



The full report is available at:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=564&furtherNews=yes>

2 ACTIVITIES OF THE EUROPEAN EMPLOYMENT OBSERVATORY

The upcoming activities within the EEO include:

- The next meeting of MISEP network of correspondents in national employment ministries and public employment services will take place in Stockholm, Sweden, on 7-8 October 2009, and will be dedicated to the topic of mitigating the effects of the economic crisis on the labour market.
- The EEO Spring Review 2009 will be published on the EEO website in October 2009, and will review innovative policies and measures taken in the context of economic crisis in 30 European countries.
- The EEO Autumn Review 2009 will be dedicated to the topic of green jobs and the implications of greening economy for the labour markets. The Review will be published on the EEO website in February 2010.

Further information on the EEO activities is available on:

<http://www.eu-employment-observatory.net>

3 ACTIVITIES OF THE MUTUAL LEARNING PROGRAMME

The upcoming activities in the Mutual Learning Programme include:

- 2-3 November 2009, Slovenia: Project Learning for Young Adults: A social integration programme helping young people back into work and education, Peer Review.
- 19-20 November 2009, Portugal: Professional Traineeships for Young Adults, Peer Review.

Further information on the different MLP activities and related documentation can be found at <http://www.mutual-learning-employment.net>

4 LATEST LABOUR MARKET RESEARCH PUBLICATIONS

July 2009 monthly monitor on the EU employment situation and social outlook

On 10 July 2009 the European Commission published its monthly monitor of the employment and social situation in the EU. Latest data covering the period up to May/June 2009 showed that EU labour markets continue to deteriorate.



Unemployment continued to rise in May 2009, though more moderately than in the first four months of the year, with men and young people continuing to be hit particularly hard. Overall unemployment rose by 385 000 to reach 21.5 million, an increase of 5.1 million (or almost a third) compared to May 2008. The monitoring report also includes a special focus on the electricity and gas sector.

The full report is accessible at:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=552&furtherNews=yes>

Study on the developments in the automotive sector in Europe

On 25 August 2009 a study outlining key developments in the automotive sector in Europe was published. The study was conducted at the end of 2007 and the beginning of 2008 and was finalised before the emergence of the current economic crisis. It describes the structural adjustments faced by the industry and its workers, but it does not take into account the effect of the global economic crisis on the sector.

One of the main purposes of the study was to support the European Partnership for the Anticipation of Change in the Automotive Sector, was signed by the European Commission and the main organisations of the sector (employers and trade unions) and presented in the Automotive Forum of October 2007. This Partnership is being developed by the partners through a two-year work programme.

Further information can be found at:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=585&furtherNews=yes>

Studies of emerging competences and economic activities in several sectors in the EU

In August 2009 several study reports were published, containing a wide-ranging analysis of emerging competences and economic activities of the following sectors:

- the health and social care sector,
- postal and telecommunications services,
- printing and publishing sector,
- transport and logistics,
- distribution and trade,
- computers, electronic and optical products,
- furniture sector,
- electricity, gas, water and waste,
- chemicals, pharmaceuticals, rubber & plastic products,
- defence industry.

The studies appraised the size and importance of the sectors in terms of number of workers and size of economic activity, the key employment trends and drivers, and emerging skills and competence requirements for the sectors.

Studies can be found on:

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



Eurofound report on employment-related public initiatives tackling the recession in the EU Member States and Norway

On 15 July 2009 the European Foundation for Improvement of Working and Living Conditions published a report reviewing employment-related public initiatives tackling the recession in the EU Member States and Norway.

The report examined the measures that governments and trade unions in the EU and Norway are taking, in an attempt to maintain jobs or minimise job losses.

The report found that avoiding unemployment is a far more efficient strategy for job protection in the in the medium-to-long term than is attempting to remedy it, through active or passive labour market policies. Social dialogue plays an essential role, the report also finds, in ensuring fair and inclusive arrangements against the background of the recession, which challenges both workers and employers.

While highlighting a range of practical solutions from all 27 EU Member States and Norway, the report also states that an important challenge for many Member States will be to find the right balance between supporting individuals and companies without adding to the burden on the state budget.

The full Report can be accessed at:

<http://www.eurofound.europa.eu/emcc/erm/studies/tn0907020s/tn0907020s.htm>

A comparative review of childcare services in 30 European countries

On 1 July 2009, a report was published, reviewing childcare services in 30 European countries. It provides an analysis of both the quantitative and qualitative provision of childcare services for 27 EU Member States and three European Economic Area (EEA) countries, Iceland, Liechtenstein and Norway. It discusses the extent to which the demand for childcare is covered, the importance attached to childcare services within the national context, and the policies developed at the national level to improve the provision of childcare facilities.

The report is available at:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=545&furtherNews=yes>

Report on the implementation of gender equality legislation

On 29 July 2009 a European Commission report was published on the implementation of the Directive 2002/73/EC aimed at tackling gender discrimination at the workplace.

The report identifies the main problems and good practices in implementing the Directive, which aims to promote equal treatment for men and women in access to employment, vocational training and promotion, and working conditions.

The report looks at how Member States have implemented the key provisions of Directive 2002/73/EC, with a view to identifying the main problems and good practices. It notes progress in implementing the Directive and describes it as satisfactory, but draws also attention to the fact that the Commission has had to take action against some national governments that have not yet brought their laws and procedures into line with the Directive. The report also focuses on the enforcement of obligations under the Directive, noting that victims of discrimination rarely make use of traditional litigation.

The report is available at:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=571&furtherNews=yes>