



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 30 May 2011

10771/11

**SOC 447
EDUC 109
ECOFIN 295**

COVER NOTE

from : The Employment Committee (EMCO)
to : Permanent Representatives Committee (Part I) / Council EPSCO
Subject : An Agenda for New Skills and Jobs: A European contribution towards full
employment
- Endorsement of the opinion of the Employment Committee

Delegations will find attached an opinion by the Employment Committee, presented with a view to the session of the Council (EPSCO) on 17 June 2011.



The Employment Committee

Opinion of the Employment Committee on the Europe 2020 flagship initiative "THE AGENDA FOR NEW SKILLS AND JOBS"

The European Union has agreed to aim at raising the employment levels to 75% for women and men for the 20-64 years age group by 2020.

The Committee welcomes the ambitious actions called for by the Agenda at both national and European level, and recognises its important contribution to the joint EU effort to stimulate economic growth by raising employment levels of women and men.

The Committee appreciates the integral and comprehensive approach of the Agenda, which covers key employment policy aspects, including labour supply and demand. In this context, and with regard to the four priority areas, EMCO stresses the importance of creating more gender equal labour markets in the EU with equal conditions for women and men.

The involvement of all relevant stakeholders at European, national and local level is essential to ensure the successful and timely delivery of the Agenda. Better use of EU financial instruments, in particular ESF, could significantly contribute to effective policy implementation, taking into account priority areas.

The Committee recalls that the main responsibility and instruments to achieve the objectives of the Agenda rest with the Member States, and underlines, in this regard, the importance of respecting national starting positions and practices, in particular those related to the responsibilities of the social partners.

Priority Areas

Better functioning labour markets

The crisis has shown that flexicurity policies are useful instruments to address labour market reforms. Yet, labour markets have proved to be insufficiently resilient: young, temporary workers and legal migrants have been hardly hit and unemployment has risen to unprecedented levels, further highlighting the need to address the persistent levels of labour segmentation in many Member States. Furthermore, this situation calls for preventing exclusion and reinforced efforts to increase participation levels among groups with structurally low participation rates.

Notwithstanding the importance of the EU common flexicurity¹ principles, the Committee acknowledges the need to strengthen the four components and review the balance between them to ensure they are cost-effective and suitable for the post-crisis context.

The consensus on the flexicurity principles should be confirmed through a comprehensive debate between all relevant stakeholders. The annual Tripartite Social Forum may provide a useful platform to discuss the implementation of the flagship initiative and, in particular, flexicurity policies.

Consensus on the necessary reforms must also be translated into better functioning partnerships of all relevant labour market stakeholders to ensure complementarity of services and make transitions pay. Employment services, in particular public employment services (PES), are in a central position to act as transition agencies for those who are most in need. Modernisation of the PES is vital to increase efficiency and effectiveness of their service delivery and make support for the unemployed and employers better tailored to their needs. Where relevant, the coordination between different levels of government involved in management of ALMPs and unemployment benefits should be reinforced to ensure better implementation of active and passive labour market policies.

¹ flexicurity components: 1) Flexible and reliable contractual arrangements, 2) comprehensive lifelong learning (LLL), 3) effective active labour market policies (ALMP), 4) modern social security systems

The Committee reiterates that the delivery of sound flexicurity policies requires a systematic and efficient monitoring and welcomes the use of the Committee's ongoing work to develop a comprehensive monitoring methodology.

The Committee is looking forward to the Commission's Communication on a new momentum for flexicurity in 2012.

Supporting job creation

The aim to reach an employment rate of 75% for women and men by 2020 is unlikely to be fulfilled without creation of new jobs and retention of existing ones. An integrated approach of economic and employment policies is essential, measures to support job creation are necessary to avoid risks of jobless growth and policies to promote friendly business environment are important in this respect. Recruitment, particularly for the most disadvantaged groups, can be stimulated through targeted and limited reductions of non-wage labour costs, in the context of an overall appropriate wage evolution. Reinforcing the move from undeclared work to regular employment will also create jobs in the formal economy. Fostering labour demand in response to demographic and environmental changes is equally important.

Promoting self-employment, entrepreneurship and innovation play an important role in creating new workplaces and fostering European competitiveness. Education and training institutions must ensure they provide adequate training to equip entrepreneurs with the right skills.

The Committee anticipates learning more about the Commission's proposal for guiding principles to promote enabling conditions for job creation and incentives and measures to address the undeclared economy. Any proposal must be fully consistent with the Guidelines for the Employment Policies of the Member States based on Article 148 and provide added value.

More skilled workforce

In the future the proportion of jobs requiring highly-skilled workers will continue to increase. To enhance their employability, people need to be equipped with the right skills and competencies. In this respect well functioning skills forecasting and anticipation systems in combination with well developed structures for information and guidance, are essential to guide education and training systems to become more responsive to labour market needs and to deliver the right mix of skills; they must be further developed at national as well as at the European levels in close cooperation with all relevant stakeholders. At the same time, education and training systems must ensure that young people obtain the competences needed to make a rapid and successful transition to employment. It is important that young people succeed in their compulsory and upper secondary education. Fighting against early school leaving and low educational achievement is therefore essential.

The effective participation in lifelong learning is a priority in order to enable older people to remain active in the labour market in the context of European year for active ageing 2012.

The Committee welcomes the actions envisaged to improve transparency of job vacancies to job seekers and to better link the worlds of employment, education and training. Policies promoting occupational and geographical mobility are also important to better match workers' skills with employment opportunities within countries and across the EU.

The Committee also notes the important contribution of legal migrants to mitigate skills shortages in Europe. It highlights the importance of targeted policies, where appropriate, to address issues such as the potential "brain waste" of highly educated migrants employed in low skilled jobs or to remove barriers to employment such as the non-recognition of skills and qualifications. It recalls also that legal migrants are often more exposed to low quality jobs and present lower performance in education systems when compared to the indigenous population. Challenges need to be addressed at national level to reap the full potential of legal migrants.

Better job quality and working conditions

Quality of work plays an important role in enhancing the potential of the workforce, such as allowing for more people to remain in the labour markets, and increasing the competitiveness of the European economy. The Committee acknowledges that the EU definition of quality of work may need revision in light of recent policy developments and new working patterns, and has started reviewing the concept of quality of work and existing indicators to monitor developments in this area. EMCO is committed to this review and had an exchange of views with the social partners on this matter.

Concluding Remarks

The contribution of all relevant stakeholders is crucial for the successful implementation of the Agenda as an integral part of the Europe 2020 strategy. The Committee will pursue to work in cooperation with the Commission and social partners towards the implementation of the Agenda in all areas where a reinforced dialogue between the different stakeholders is of essence.

The Committee stands ready to support the Council's work by preparing an opinion on the key priority areas if needed.