

## EAPN BRIEFING NOTE THE NEW EUROPEAN EMPLOYMENT GUIDELINES 2008-2010 COMPARED TO THE 2003-2008 VERSION: WHAT IS NEW?

The Guidelines for the Employment Policies of the Member States are part of the Lisbon integrated guidelines (Micro-economic, macro-economic, employment guidelines), but are adopted separately by the Council. This year, the guidelines (which stayed unchanged from 2005 to 2008) for the next Lisbon cycle for the period 2008-2010 were at stake.

The Commission made a first proposal in December 2007, which was thoroughly debated ( see [European Parliament Report](#), and [our reaction to the Commission proposal regarding the draft Joint Employment Report and the new guidelines](#)). It seems that EAPN action as well as the MEP Anne Van Lancker (socialist, Be) report, had some impact: the version finally adopted by the Member States include some positive changes in the narrative part.

### 1. WHAT HAS NOT CHANGED = THE MOST IMPORTANT =THE GUIDELINES THEMSELVES

The guidelines adopted<sup>1</sup> ( are a document of 6 pages, containing the guidelines themselves and narratives which give more information.

The text of the guidelines follows the structure below. The complete wording of the guidelines (headline and details) remains unchanged.

Guidelines 17 ( general objectives )
<u>First priority: Attract and retain more people in employment, increase labour supply and modernize social protection system</u>
Guideline 18: Promote a lifecycle approach to work...(details)
Guidelines 19: Ensure inclusive labour markets, enhance work attractiveness, and make workpay for job-seekers, including disadvantaged people and the inactive.... ... (details)
Guideline 20; Improve matching of labour markets needs through.... ... (details)
<u>Second priority: improve adaptability of workers and enterprises</u>
Guidelines 21: Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of social partners ... (details)
Guidelines 22: Ensure employment friendly labour cost developments and wage-setting mechanisms by... ... (details)
<u>Third priority: Increase investment in human capital through better education and skills</u>
Guidelines 23: Expand and improve investment in human capital through.....(details)
Guidelines 24: Adapt education and training systems in response to new competence requirements.....(details)
<u>Overview of targets and benchmarks set in the framework of the EES</u>

<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:198:0047:0054:EN:PDF>

This means that the main policy orientations and objectives remain **the same**.

This is important given that the headlines of the guidelines are the element of this document which is the most frequently quoted and used as a reference. They are also the elements that are evaluated yearly through the National Reform Programme implementation process. Less visible are the introduction part as well as the narrative part of the document ( i.e. paragraphs under the guidelines which give details about how these guidelines should be followed). Indeed, it is more the narrative, which have been slightly changed compared to the 2005 version, which reflect the outcomes of the latest debates regarding employment policy.

## 2. NOTICEABLE CHANGES IN THE NARRATIVES WE SHOULD BE AWARE OF

For most of it, the narratives also remain the same as there were 3 years ago. But there are however some changes or more often additions, some of them being very interesting for EAPN. Notably:

- **Governance of the OMC on employment:**

“Member States (MS)” are asked to conduct policies not only “*in cooperation with the social partners*” but also with “where appropriate other stakeholders (14)”. This reinforces the existing statement that MS “should establish a broad partnership for change by fully involving parliamentary bodies and stakeholders, including those at regional and local level and civil society organizations”

- The **gender dimension** is explicitly reinforced with several references to the need to tackle gender inequalities and gender pay gap.
- The narratives refer twice to **Active inclusion**<sup>2</sup>:
  - Under the priority “attract and retain more people in employment”, it is stated that “*promoting the active inclusion of those excluded from the labour market is also important*”.
  - Under the guidelines 18, we read the “*Active inclusion policies can increase labour supply and strengthen society cohesiveness and are a powerful means of promoting the social and labour market integration of the most disadvantaged*”.

This is an important point since it is crucial that EU initiatives concerning inclusion and employment converge. However, that what we read in the employment guidelines narrative is a less ambitious understanding of active inclusion than the one promoted by the Commission. This can be seen in the second paragraph after the guideline 18:

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<sup>2</sup> Second paragraph after the guideline 18: “*Active inclusion policies can increase labour supply and strengthen society's cohesiveness and are a powerful means of promoting the social and labour market integration of the most disadvantaged. Every unemployed person should be offered a job, apprenticeship, additional training or other employability measure; in the case of young persons who have left school within no more than 4 months by 2010 and in the case of adults within no more than 12 months. Policies aiming at offering active labour market measures to the long-term unemployed should*

*be pursued, taking into consideration the participation rate benchmark of 25 % in 2010. Activation should be in the form of training, retraining, work practice, a job or other employability measure, combined where appropriate with on-going job search assistance. Facilitating access to employment for job seekers, preventing unemployment and ensuring that those who become unemployed remain closely connected to the labour market and employable are essential to increase participation, and combat social exclusion. Attaining these objectives requires removing barriers to the labour market by assisting with effective job-searching, facilitating access to training and other active labour market measures. Ensuring affordable access to basic social services, adequate levels of minimum resources to all, combined with the principle of fair remuneration in order to make work pay are equally important. This approach should, at the same time, ensure that work pays for all workers, as well as remove unemployment, poverty and inactivity traps. Special attention should be paid to promoting the inclusion of disadvantaged people, including low-skilled workers, in the labour market, inter alia, through the expansion of social services and the social economy, as well as the development of new sources of jobs in response to collective needs. Combating discrimination, promoting access to employment for disabled people and integrating immigrants and minorities are particularly essential”.*

- active inclusion is here strongly connected to activation and new opportunity of job, training or employability measure should to be given to unemployed people;
- here, the definition of activation insist on the need to keep people connected to the labour market (no notion of social integration activities not connected to the labour market);
- emphasis is strongly put on the 'Make Work Pay';
- the notion of 'personalised action plans' present in the last Commission communication of Active Inclusion ( ) is not taken on board here;
- they refer here to "affordable access to basic social services", which is less ambitious than the 17 October Communication on Active Inclusion refers to "better access to quality services";
- they refer to "adequate levels of minimum resources", also less ambitious than the "Income support sufficient to avoid social exclusion", headline of the 17 October Communication.

However, even if the wording is different, the fact that these 2 pillars of the Active Inclusion concept are referred to by the Employment guidelines is a step forward that is worth highlighting, and a good sign in the direction of more complementarities between employment and social policies.

- 2 new paragraphs are devoted to **Flexicurity** above the guidelines 21. They recall the definition of flexicurity ("*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*", and invite MS to "*implement their own flexicurity pathways, based on the common principles adopted by the Council. These principles serve as a useful basis for reforms, framing national policy options and specific national arrangements in the field of flexicurity. There is no single pathway and no single principle is more important than another*".

The general objectives of flexicurity are presented in the introductory paragraph devoted to the full employment priority: "*An integrated flexicurity approach is essential to achieve these goals. Flexicurity policies address simultaneously the flexibility of labour market, work organization and labour relations, reconciliation of work and private life, and employment security and social protection*"( | 10,11,12).

- The need to ensure **consistency between social and employment policy** is stated clearly:
- "Strengthened cooperation interaction is needed with the Open Method of Coordination in Social Protection and Social Inclusion" ( | 20)
- "MS are encouraged to monitor the social impact of reforms" ( | 39)
- New emphasis is also put on **mobility of workers** (cf paragraph above the guideline 20)
- A strong focus is put on the need to **increase the employment rate to address the demographic challenge**, especially concerning specific groups, including:
  - Parents and "*especially single parents, who are usually exposed to higher poverty risks*", through developing childcare provision;
  - Older workers (with the objective to increase the effective average exit age from the labour market by 5 years by 2010 compared to 2001)
  - Young people



MS are also now invited to improve “occupational health status with the goal of reducing sickness burdens, increase labour productivity and prolonging working life”.

#### **IN CONCLUSION:**

As EAPN mentioned already in our comment to the Commission draft, it is regrettable that the positive changes have not been integrated in the guidelines themselves rather than in the narratives, which are not a visible part, nor the part that is systematically evaluated in the NRP.. Also, the clarity and the consistency of the new document, which includes a lot of additions rather than having been rewritten, is questionable. And again, EAPN criticisms regarding the general political approach based on work first approach are still valid, and we can also regret that a more rights based approach initiated with the Active Inclusion approach is only timidly taken on board.

However, the positive aspects of the changes (re governance, consistency between employment and social policies and the detailed references to active inclusion, fair remuneration...) are worth noticing and being reminded at all level when we argue our case, as well as when we review national employment policies.

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