**EU INCLUSION STRATEGIES GROUP**

***Employment Subgroup,*** *Prague, 17 May 2014*

Minutes

Attending: Sonja Leemkuil (EAPN NL), Kiira Nauts (EAPN EE), Slobodan Cveijc (EAPN SR), Vincent Magri (EAPN MT), Loucas Antoniou (EAPN CY), Ryszard Szarfenberg (EAPN PL), Iris Alexe (EAPN RO), Katherine Duffy (UK) + Amana Ferro (EAPN Secretariat).

Apologies: Marina Koukou (EAPN CY); Hélder Ferreira (EAPN PT)

**Welcome and introduction**

Minutes adopted.

Agenda adopted.

* ***Anybody who translated the Quality Work Explainer, in full or the Summary, please send the translations to the Secretariat, so we can put them online.***

**Tour de table about national realities**

**Macedonian EAPN** – We don’t know for sure what is considered youth. Officially, 45.000 in the age group of 18-29 are now job seekers. Employers who take on such young people benefit from reductions in social security contributions. A big problem is that we were not able, for political reasons, to complete a census, so right now we are really not sure how many we are…

**EAPN Romania** – The unemployment rate is a little higher than before. High rates of emigration continues, particularly for some professional groups, such as healthcare professionals, teachers and professors. We have a number of “reforms” or “reorganization” of education and health systems, which are behind this emigration. Corruption also affects these sectors. The Youth Guarantee is a good thing, as the Government is taking an interest in promoting entrepreneurship and providing financial support (Structural Funds and Government funds) for start-ups and subsidized employment for young people. Romania has good economic growth, banks resumed giving loans, so it’s looking better.

**EAPN Poland** – I will speak mainly about the NRP context. Predictions are positive about employment and economic growth – which won’t be very high, but which will be there. Youth unemployment is a problem as everywhere, but much less than in other countries. There is a lot of discussion in Poland about how to achieve better results for young people. Many people look at the German dual system of vocational education and training, combined with work placement experiences. There is a great reform of our ALMP programmes. For those furthest from the labour market, the Government wants to introduce profiling. People with the highest level of problems will benefit from cooperation between employment services or social assistance. If this doesn’t happen, they are referred to private employment agencies. The minimum number of unemployed outsources should be 200 people – a very high number for NGOs, but accessible to private employment services. We are following a Western Europe trend (UK, NL, FR…) – privatization of activation. We are doing profiling to identify those hardest to reach, who receive priority.

**EAPN UK** – Indeed, we have this, it is called “black box activation”. Private companies listen NGOs on the bid, but then did not use them once they got the contracts. They are paid by outcomes, so there is a lot of creaming. In the first times of the intervention, more people got sanctions of lost their benefits than got a job.

**EAPN Poland** – We also have a special agency for youth threatened by social exclusion, some sort of Youth Corps. It was set up between the wars, and was active in communism, and active now. They do a lot of good work, they receive ESF money to activate young people, to provide them with more counseling, more training, more support than they would get in a normal employment office.

**EAPN Cyprus** – You are aware about the crisis situation in Cyprus right now. Youth are particularly hard hit. There is a scheme, providing temporary work placements for young people, paid 500 euro per month. But this is not enough, you can’t plan on that, you can’t move out. Cyprus has very bad transportation system, we don’t have a railway system, so everybody has a car, and many people work in a different town than they live – so most money goes on petrol. There are also financial incentives for employers. Young people leave, and the Government’s investment in their health and education is lost. The tourism and hotel industry relies on many Romanian ad Bulgarian workers, who are often discriminated against and blamed for the bad situation.

**EAPN Malta** – Our main industries are tourism and fiscal services. The 2008 crash didn’t affect us much, and our unemployment is 6.5%. I don’t think the rate is correct, but it is still low. Figures are not enough, they don’t capture how much you earn, how precarious is the contracts, how much employment protection you get etc. Youth unemployment is 13.5%, and we also received some EU funds for this. About 2000 people will benefit from the Youth Guarantee. People who choose to pursue their education are rewarded, they receive a stipend, but there are few opportunities for post-grad studies. Those who go study abroad usually stay abroad. The educational system does not adequately support those with learning difficulties. Some women in Malta choose to stay home and raise the children, especially if the husband makes a good salary. There is nothing wrong with that, and there is nothing wrong with getting more women in the labour market – but why should we force people one way or the other? For women who work, childcare is free of charge the Government covers costs. Maternity leave is 6 months, fully paid, so employers are reluctant to take on young women. The Government has plans to top up the minimum wage, up to 1500 euro.

**EAPN Serbia** – The economy is in a terrible situation. Unemployment is at 23%, by Eurostat definition. GDP per capita is 4400 euro, which is very low. FDI were around d700 million euro, which is very low. Growth is close to 1%, and we don’t expect an increase. Indebtedness is 60% of the GDP, which is better than other countries. Telecom and the electricity companies could be privatized. The strategy is to sell state assets, and to invest in infrastructure. We have Russian and Chinese companies working in infrastructure projects. Employment law needs to be changed, it was already done once in 2008, and it was praised by the business sector, but trade unions managed to roll back some provisions, so a compromise was reached. But it is not attractive for the investments. The objective is including the Serbian economy in the globalised, neoliberal system. This is a disaster, as employment will become of even lower quality. Activity rate is only 48%, and almost two thirds work in the public sector. So the focus is on supporting the private sector. Some sectors show promise for modernization and better jobs, such as the IT sector, the military industry etc. There is a lot of talk about ALMP, but there is not public investment in this. There is this idea of subsidizing salaries for target groups (such as youth), but so far it hasn’t worked very well.

**EAPN Estonia** – Unemployment rate is 18.7%, and for youth about 20%, but it decreased by 1%. The Youth Guarantee will be in place, so they expect further reductions. There is a big problem with emigration. 60% of the doctors and nurses are now working in Finland, but in Estonia you can study Medicine for free, so the Government is investing, but then people leave, because they can make up to 4-5 times as much across the sea. The informal labour market is an issue, people receive salaries in envelopes – no taxes paid, no social security, no pensions. The poor infrastructure makes it difficult for people to access jobs. We have a number of start-up programmes, for young people and the long-term unemployed. The Unemployment Insurance Fund provides both business training, as well as start-up money. A lot of women also benefited from this, because maternity leave is one and a half years, which makes it difficult for women to reenter the labour market afterwards. Not a big problem with immigration. The Estonian Government lied to Brussels on the FEAD, saying there are only 40.000 people in need, but there are 200.000, which means we received much less money. It was a media scandal because of it.

**EAPN Netherlands** – We have 691.000 unemployed people, and it is increasing by the minute. The economy is doing a little better, but employment takes time to restore, so we are expecting at least two more years of unemployment. Many unemployed are over 55, people who lost their jobs, and were replaced by young people, who work for minimum wage now. Most unemployment is in healthcare and welfare. They started a project for people over 55, which provides training and activities to increase their employability, but this doesn’t address the lack of jobs. We also have an issue for forced volunteering for benefits. There will be some more money for pilot projects for unemployed youth, as well as for creating jobs for people with disabilities. There is a problem with forced volunteering for benefits, and the benefits were cut. Bogus self-employment is on the rise, as self-employment is heavily encouraged, but they have no work. At this moment unemployment is at 8,3%. It decreased by 41.000 persons during the last quarter.

**EAPN UK** – We’re 60 million people, so the scale is completely different. It is difficult to personalize a system for so many people. We have immigration, and there was a lot of debate about whether they are taking jobs away from native Brits. There is some evidence that some low-skilled jobs (like supermarket check-out) are now taken up by Poles and other migrants. There is a difference between non-white and migrants, as many non-white people are British citizens. Real wages are falling, and we have zero-hour contracts. We are seen as a success, as the unemployment rate shows so. We have private providers for employment services, and they get paid by results, and receiving a premium for those hardest to place. There is no state policy on job creation. They are trying to move a million people with disability on Jobseekers Allowance, which is 30 pounds less a week. Childcare is very costly. The argument is that unemployed people should not have children, because we can’t afford it. We don’t have any state assets left to sell. Risks are individualized.

**Employment policies for the future**

* ***Amana to send a short text, describing the employment hooks and opportunities in the upcoming Mid-Term Review;***
* ***Members to contribute ideas and suggestions in writing.***

**Updates and next steps**

Decent Work / Living Wage Campaign Task Force & Event: A second meeting was held on February 28th, and the two main deliverables, the Concept and Feasibility Note and the Campaign Guide, are in preparation. The third meeting was postponed from June to September, because it will be combined with a decent work event (EAPN + the European Trade Union Confederation), aimed at the European Parliament, especially at new MEPs. At the next EU ISG meeting, there will be a presentation of the results.

Social Platform Task Force on Decent Wages

It is currently exploring the possibility and feasibility of a European framework of minimum wages. We will discuss this more in detail at the October meeting. Trade unions oppose it, because it weakens collective bargaining, and encourages social dumping. How does EAPN feel about it?

* ***Members invited to think about it till next time.***