

EAPN Background Note on Employment

Introduction

Employment has often not provided a sustainable route out of poverty. One third of people currently in poverty are actually in jobs. Certain groups, such as youth, low-skilled workers, women, non-EU migrants, older workers and people on precarious, are always the first to be hit. Rising unemployment, the undermining of workers' rights, lower wages and precarious contracts brought about disastrous social consequences, **increasing problems of indebtedness, putting pressure on pensions, having a negative psychological impact, soaring poverty and exclusion overall.** The answer of Governments is getting more people into employment, but not necessarily in good jobs, and with little regard for human dignity. Although one of the 5 overarching targets of the recent Europe 2020 Strategy is to raise at least 20 million people out of poverty by 2020, the Annual Growth Survey, the European Commission's assessment of the implementation of the Strategy, insists on placing the analysis exclusively in a growth-oriented perspective. **Increasing competitiveness and boosting growth takes priority over everything else, while investing in people is reduced to grooming human capital for better productivity.** Integrated approaches are needed, supporting people into decent jobs, for those who can work, and providing a decent life for those who can't, in line with the Active Inclusion strategy of the European Commission. This means **equipping people with the necessary security and sufficient income to lead a dignified life, through adequate minimum incomes, while providing everyone with affordable access to quality services and personalised support to find their individual route to decent employment.** Such efforts need to be complemented by creating new jobs through increased public and private investment, ensuring more and better training opportunities for all, and raising the quality of jobs and employment. **The European Union's role** in coordinating and supporting these efforts is crucial, and the Europe 2020 Strategy, including its Flagship Initiatives and European Semester process, is the key tool.

The impact of the crisis and of the recovery packages

The impact of the economic downturn and the austerity measures implemented by Governments led to **severe cuts in jobs and wages, as well as in essential benefits and services, coupled with the deterioration of working conditions.** After bailing out banks and providing support to failing industries, large public deficits now need to be recouped, without any clear wish to take the opportunity to reflect upon and correct the inequalities and imbalances that led to the crisis in the first place. Despite the shrinking number of available jobs, activation policies became harsher in most Member States. **Flexicurity strategies mean increased flexibility** for firing, while security measures are gradually withdrawn. We witness increased sanctions and conditionality in a punitive activation approach, forcing people into any kind of jobs. **The European Union has taken a particular role in pressing Governments to reduce their debts quickly by cutting public expenditure, rather than by raising taxes.** The recently agreed Euro Plus Pact basically promotes keeping wages low, particularly in the public sector, but also breaking the link between rises in wages and rises in the standard of living. Europe 2020 will monitor Government action and the Commission will apply fines if the goals are not met.

Job creation

The creation of real, sustainable, additional jobs is a priority in the context of severe job cuts. Europe 2020 (Joint Employment Report and Flagship Initiative on Skills and Jobs) speak openly about strengthened links between employment and industrial policy to **stimulate job creation in the mainstream economy**. This is a welcome change of focus towards the demand side, much needed in a context of shrinking job opportunities. There is increased acknowledgement of **the potential of the services sector** to create jobs, particularly at the EU level, but little is being done by Governments to invest in them - instead, austerity cuts have hit this sector particularly. Especially in the area of health and care, investment would not only create employment, but also respond to increasing needs on the ground. **Social economy** provides 10 million jobs in the EU, and has been recently picked up by the European Flagship against Poverty as an important source of social innovation. This **needs to be better supported** with recommendations and measures to foster its development, including better targeting of Structural Funds to this area.

Supporting people towards the labour market

Governments favour reducing public debts by getting people into jobs as fast as possible. While the proposed employment could be precarious, temporary, poorly paid or otherwise unsuitable, **harsher sanctions, including reduction or loss of benefits**, are enforced upon those refusing offers. Support for employment should be anchored in **the respect for human dignity**, and strategies must focus on people's individual needs, rather than seeing them as economic units. This approach should **recognize the very different needs and obstacles faced by specific groups** – women, lone parents, people with disabilities or health difficulties, migrants and ethnic minorities including Roma, but also those who suffer long-term unemployment and poverty. The focus of activation policies should be to **develop a pathway to social inclusion and to full participation in society**. This requires also tackling issues such as difficulties over income, housing, debt, loneliness, health conditions, low social skills, communication, language, training qualifications etc. **Access to affordable, quality services and adequate income support** while returning to the labour market play a key role, as mandated by the Active Inclusion Strategy.

Inclusive labour markets

While most policies are geared to bringing people closer to the labour market, while not enough is done to **open up the labour markets to the people**, by rendering them more inclusive. Commitment is needed to step-up anti-discrimination measures, including **legislation, awareness raising campaigns, and equality training** for employment services, employers and workers. Measures need to be aimed equally at access to employment, to services, and to education. But inclusive labour markets do not only mean better opportunities for vulnerable groups, but a **better employment experience for everyone**. Flexible working arrangements and affordable, quality care services are crucial for parents, while equal opportunities employers need to be able to adapt working environments for people with disabilities. **Corporate Social Responsibility** can play a key role in ensuring that the work environment, as well as working time, are respectful of people's personal circumstances and responsibilities, while enforcing employment protection and other social rights.

Quality jobs and employment

The recent political discourse at EU level (New Skills for New Jobs Flagship Initiative and other Europe 2020 documents) does **not give enough priority to the issue of job quality**, particularly to the need to ensure that jobs created ensure a route out of poverty. Low wages, especially for the so-called “low skilled’ jobs”, but also precariousness, temporary or short-term contracts, and enforced part-time work undermine decent employment. **Efforts should still be made to ensure especially decent wages, employment security and rights, decent working conditions, the reconciliation of private and professional life, and access to training.** Unless a job provides a decent minimum wage and security, it will only increase poverty, rather than diminish it. There is still a persistent **gender and ethnic “pay gap”** - i.e. women, migrants and people from ethnic minorities often get paid worse, even in the same jobs. The **flexicurity** approach promotes a culture where hiring and firing were made easy, while the necessary protection and security, especially minimum income and other benefits, are lacking, insufficient, or submitted to harsh conditionality. **Employment is first and foremost a human right, a vehicle for social inclusion and participation in society**, as well as a vital contribution to the economy.

Participation and Governance

Policies can't be effective unless they start from the correct premise and needs assessment. This can only be achieved by **involving people experiencing poverty and their organisations in the design, implementation and evaluation** of strategies. This is a concern specifically mandated for by Europe 2020 and flagged up by the Annual Growth Survey. Civil society stakeholders, including **people experiencing poverty and their associations, are crucial actors**, who can enable the development and delivery of more effective integrated and coherent policy responses to tackling poverty and social exclusion. Lessons need to be learnt from the Social Open Method of Coordination (OMC), which has greater experience of embedding such an **effective dialogue with national stakeholders** through the National Action Plans for Inclusion and the national strategies for social protection and social exclusion. Only full, **structured involvement of people experiencing poverty and their representatives in the design of National Reform Programs and at EU level** can ensure that actions are effective. Structural Funds and the PROGRESS Programme have a key role to play in this respect.

Conclusion

Employment is not just about the economy. It is first and foremost about **the people and rights**. It is a means to ensure financial survival, social inclusion, as well as fulfilment of dreams and aspirations. We need a **better vision of our societies, anchored in human rights, the respect for the human being and solidarity, promoting equality and equal access to rights, resources and services**. For that, Governments need to stop this race to the bottom of prioritizing growth to the detriment of the people. To avoid hardship, poverty, and exclusion, sustainable and quality employment opportunities need to be widely accessible to all groups, embedded in a fair, open and inclusive labour market, prioritising quality and cohesion, supporting people and respecting their uniqueness. **This is the key role that employment can play in safeguarding our social model, in building better societies for all, and in achieving the truly united Europe we want.**