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The need for a target group approach in the post Lisbon context?
People with disabilities, older workers, young people, migrants and
women

Autumn Seminar on “The European Employment Strategy after 2010: the challenges
and lessons from best practices in the Member States”

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1 KEY MESSAGES / EXECUTIVE SUMMARY

Over the next decades, the European Union is facing two demographic challenges: the ageing and impending decline of its population. These developments will impact on the volume and composition of the working age population and need a well-designed forward looking policy response. A coherent and comprehensive concept is required for the European Employment Strategy (EES) in the context of the post-Lisbon Strategy to fully tap the employment potential of people with disabilities, older workers, young people, migrants and women. These target groups are central resources for future employment and economic growth.

The underlying assumption in this paper is that the key aims of the Lisbon Strategy will also be guiding after 2010 but that an improvement of both the instruments and the implementation of the strategy are subject to a revision and adaptation complemented by the integration of new emerging issues. Therefore achieving full employment, improving quality and productivity of work, and social inclusion are still central objectives. One of the key issues requiring more attention in the EES in the post-2010 period is to make use of all potential resources for employment.

The structural challenges and severe effects of the crisis and the burning questions of rapidly increasing unemployment should not lead to a postponing of the creation of a coherent policy set to achieve a considerable employment growth and to respond to the increasing demand for competences and skills. An integrated target group approach complements the employment strategy and contributes to the overarching aim of employment and economic growth and social progress. A key feature of this approach is the emphasis on quality of work and life and includes a revival of the 'quality' concept¹ in the EU policy.

Guideline 18 is currently a 'collecting basin' for all the target groups included in this paper. This guideline should be thoroughly revised and provide a concept for combining urgent policy strategies to secure the necessary workforce and an integrated target group approach.

The integration of the policies for target groups is the key to solving anticipated labour and skills shortages. A comprehensive and coherent coordinated policy approach directed towards the ageing and declining working age population needs to integrate gender, age, disability and immigration policies in all policies and in particular in the new post-2010 Strategy. Regarding disabilities the key challenges are the retention and integration of disabled people in employment as well as a substantial concept for prevention. Prevention as well as life-long learning is fundamental for the retention of older workers in high quality, healthy working environments. The smooth transition of young people into high quality jobs is subject to employment, educational and social policy and is a high priority. A well-managed immigration policy includes both the full integration of resident migrants and attracting new migrants in line with the skills and labour shortages based on a consistent concept. Closing all gender gaps and achieving gender equality is fundamental for future employment and economic growth. A fundamental step is to enable women to realise their educational lead over men in employment. For all target groups the key focus is on utilising their potential and available human capital and foster quality of work and employment for all.

¹ European Commission, Employment and social policies, A framework for investing in quality, COM(2001) 313 final, Brussels, 2001.

2 INTRODUCTION

A key objective of the post-2010 Strategy is to develop the full (employment) potential of all groups of the working age population. Central resources for future employment and economic growth are people with disabilities, older workers, young people, migrants and women. These target groups are further characterised by categories such as gender, origin, age, or physical and mental condition and are very heterogeneous in themselves. Between these target groups there are many interfaces in their characteristics which often involve multiple disadvantage on the labour market.

It should be noted that the target groups will be analysed in this paper from a post-2010 European Employment Strategy perspective rather than from an anti-discrimination point of view. The focus is less on social justice aspects than on the potential contribution to employment and economic growth and quality of work and life.

In general, the conclusion that the 2010 benchmarks for employment rates cannot be reached requires continued efforts to increase employment performance.

This paper will argue that with regard to a forward looking post-2010 EES, a balance should be struck between a mainstream and a target group approach, which also needs to pay particular attention to addressing areas of multiple disadvantages. This will be referred to as an “integrated target group approach”. This approach to post-Lisbon strategic planning and benchmarking is influenced by the key challenges which will continue to face the EU labour market in relation to globalisation, demographic ageing, a shrinking working age population, and the need to maintain and increase competitiveness. These challenges will need a coherent and integrated policy approach to increasing the size and potential of the domestic as well as the migrant workforce. Current targets and benchmarks should not be abandoned but should be reviewed, set within clear timescales and linked to policy guidance focussed on evidence based implementation and mutual learning. A challenge for the EES in the post-2010 period is a well-informed strategic policy management across all target groups.

The challenges facing the European labour market can be summarised in a few striking headline figures, which will be elaborated in more detail in the dedicated sections below:

Young people are highlighted as critical resource for society. According to Eurostat's projection the age group 15-29 years which currently represents 19.3 % of Europe's population will shrink to 15.3 % in 2050.²

Based on Eurostat's 2008 projection scenario the current working age population of 235 million in the EU-27 will decrease (at constant labour force participation rates) to 229 million (-3 %) in 2025 and to 207 million (-10 %) in 2050. In the absence of any third-country migration a decline would be even larger, as the workforce would shrink to 214 million (-10 %) in 2025 and 171 million (-20 %) in 2050.³

Policy strategy options for coping with demographic ageing and a decline of the working-age population by utilising existing human capital potential should include an increase in the actual retirement age (by discouraging early retirement). They will also require EU countries (to varying degrees based on current performance) to close gender gaps in employment, foster the integration and retention in employment of disabled people, increase employment rates among existing migrants and develop policies to anticipate skill shortages, develop

² COM(2009) 200 final.

³ Münz, Rainer, Demographic Change, Labour Force Development and Migration in Europe, Data Background Paper, Labour Migration and its Development Potential in the Age of Mobility, Swedish Presidency, 15-16 October 2009, Malmö, Sweden. Münz

the domestic skills base and ease migration for individuals with the qualifications to close remaining skills gaps. Finally, it will require most Member States to integrate young people more effectively into the labour market.

Projections regarding the target groups display the urgent necessity for such policies but also reveal that a comprehensive and consistent policy mix is needed. Projections regarding an increase in female labour force participation by 2050 to the level of their male counterparts show that Europe's workforce would slightly increase to 240 million in 2025 (+2 %) and would only then start to decline to 231 million in 2050 (-2 %). In the absence of migration, the labour force would slightly decrease to 223 million in 2025 (-5 %) and the strongly decline to 191 million in 2050 (-19 %). Extending the actual retirement age by 5 years until 2025 and by 20 years until 2050 would lead to an increase in the workforce but in the absence of immigration the labour force would decline. Recruiting migrants can only be a partial answer to ageing and an eventually shrinking domestic working age population. The availability of relevant skills and qualifications is a crucial issue for the development of domestic education and training policies and lifelong learning strategies as well as for migration policy.⁴

Against the background of the deep recession, European employment policies should not abate in their endeavours to improve employment rates and labour market participation policies for groups currently less affected. It would be destructive to place specific attention on some groups at the expense of others, as this would hamper long-term strategic objectives. It would be fatal for example to pursue policies for young people at the expense of efforts for older workers and active ageing or to reduce efforts for raising female employment in order to maintain men in employment. The same applies to the group of third-country migrant workers versus national workers. Such actions would question the policy framework of the European Employment Strategy and future achievements of employment policies as well as the European Social Model. The conceptual keystone should be to look at structural developments of the workforce, sectors, regions, occupations, skills and the required policy responses to enhance labour market performance and not be to look at a group by group outcome of the current recession.

With regard to future monitoring of post-2010 Strategy a cross-cutting perspective is necessary referring to all target groups under the monitoring and analysis indicators.

⁴ *ibid.*

3 PEOPLE WITH DISABILITIES

EU disability policy has a strongly rights-based approach. The EU Disability Action Plan (DAP) 2003-2010 has three strategic objectives in order to achieve the overarching aim of an effective implementation of the Equal Treatment in Employment Directive (2000/78/EC); mainstreaming disability issues across all EU policies, legislation and programmes from design and implementation through to monitoring and evaluation; and improving 'Accessibility for All'. One of the objectives is to promote access to and retention in employment, using the potential of new technologies and promoting accessibility. Accessibility can make the key difference between a disabled person being active in the labour market and being dependent on social welfare.⁵

The definition/understanding of disability is crucial for any analysis and policy formulation. All in all, the understanding of 'disability' is too narrow in most EU policy documents to really capture the problem and to focus purposefully on the target group. In this paper a definition by the European Agency for Occupational Health and Safety will be used. 'Disability covers both physical and mental impairments and covers all employees who might be hampered in work performance. This includes people with long-term or progressive conditions as well as people with more stable disorders.'⁶ The European Court of Justice (Case C-13/05) interpreted the concept of 'disability' in reference to Directive 2000/78/EC as a limitation which results in particular from physical, mental or psychological impairments and which hinder the participation of the person concerned in professional life over a long period of time⁷.

A report⁸ focusing on promoting the inclusion of people with chronic illnesses or disabilities into employment conceptualises disability more realistically as a dynamic process that increases with age and concerns many people with chronic illnesses who develop a health condition that affect works capacity. There is a need for a change in the perception of disability. Major causes of disability are moving away from either congenital conditions or accident traumas to medical or psychiatric conditions. Most disabilities develop during adult life and many are not visible. Nowadays, the greatest single cause of long-term absenteeism are stress-related disorders, and many of the other causes relate to medical conditions such as cardiovascular and respiratory complaints.

Eurostat figures are based on the term 'long-standing health problem or disability' (LSHPD). In the LFS, module data was based on self-reporting rather than administrative definitions and included many categories of long-standing health problems or disability that could be termed chronic illness.⁹ Based on this data, 16.4 % of the EU working-age population report having a disability.¹⁰ The likelihood of being affected by a disability or a long-standing health problem increases with age. Mental health problems now account for a quarter of new disability benefit claims in the EU. Persons with a congenital disability tend to attain lower

⁵ Centre for Strategy & Evaluation Services CSES, Mid-term Evaluation of the European Action Plan 2003-2010 on Equal Opportunities for People with Disabilities, Final Report – Appendices, August 2009.

⁶ European Agency for Safety and Health at Work, Workforce diversity and risk assessment: ensuring everyone is covered, 2009. Internet: <http://osha.europa.eu/en/publications/reports/TE7809894ENC>

⁷ (Weiler, Anni), Disability, European Industrial Relations Dictionary, 2006. Internet: <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/DISABILITY.htm>

⁸ Wynne, Richard/McAnaney, Donald, Employment and disability: Back to work strategies, European Foundation for the Improvement of Living and Working Conditions, Office for Official Publication of the European Communities, Luxembourg, 2004.

⁹ Eurostat, Employment of disabled people in Europe in 2002, Statistics in Focus 26, 2003.

¹⁰ Eurostat, Press release, 142/2003 – 5 December 2003

education levels than those who acquire a disability later in life. In general, people with disabilities participate less in education and have lower educational qualifications than individuals without a disability.¹¹

Table 1: Key employment data of people with disabilities compared with non-disabled people

Disabled		Non-disabled
	%	%
Participation of the 16-19 age group considerably restricted in their ability to work in education or training	63	83
No educational qualification beyond compulsory schooling of those aged 25-64	50	32
Employment rate of disabled people	50	68
Employment rate of people aged 16-24 considerably restricted in their ability to work	27	45
Employment rate of people aged 16-64 considerably restricted in their ability to work	24	62
People with higher education employed in high-level jobs	48	85
Employment rate of women of working age considerably restricted in their ability to work in education or training	27	58-59
Employment rate of women with tertiary education considerably restricted in their ability to work	50	80

Source: SEC(2007) 1548; Data is based on the 2002 LFS Module

The situation is even worse for individuals with learning disabilities. Women with disabilities face an even more disadvantaged situation with less access to education and employment.

People with a disability are mentioned as target group in the general introduction of the Integrated Guidelines 2008-2010 which calls for particular attention to be paid to 'significantly reducing employment gaps for people at a disadvantage, including disabled people' in order to assist Member States in addressing the demographic challenge. Guideline 18 refers to combating discrimination and promoting access to employment for disabled people.

The monitoring indicator looks at labour market gaps for disadvantaged groups¹². This indicator should be based on a more precise definition. It should be extended considerably to monitor disability and its impact for employment potential and effective interventions with regard to the various forms and characteristics of disabilities and their prevention as far as possible. It should not only look at those not in employment who want to work (indicator 19 M5) but also at those in employment with a disability or long-stand health problem. In addition, this policy area also needs to consider how to address the high level of inactivity among disabled individuals, who are not even registered as unemployed and are effectively considered to be outside the labour market. In particular, it should be combined with policies for older workers and in a general concept of achieving objectives of the EES.

The framework of anti-discrimination measures as part of the EU's social inclusion strategy does not address the needs of older employees with chronic illnesses or other groups at risks. Responses to disability deal primarily with persons with a congenital disability or those who have acquired a disability through injury. Disability policies should take into account the changing nature of illnesses leading to work disability and understand disability as a fluid transition. Chronic illnesses related to stress, such as depression, anxiety and

¹¹ Commission of the European Communities, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Situation of disabled people in the European Union: The European Action Plan 2008-2009, Annexes, Brussels, 26.11.2007, SEC(2007) 1548.

¹² Employment Committee, Employment Guidelines 2009, Indicators for monitoring and analysis in the NRPs 2009, Report endorsed by EMCO on 24 June 2009

burnout, are increasingly the cause of long-term absence from work. Effective interventions are needed to prevent the rise in mental health disorders leading to disability and prevent resulting exit from the labour market.¹³

Policy approaches must be implemented with a view to avoiding long-standing health problems arising from working life. On the background of an ageing and declining workforce prevention measures for those in employment demand primary attention and a broader concept of achieving healthy and safe workplaces and quality in work. This applies even more in the context of the crisis which can cause further health problems (particularly related to stress) and can lead to the further exclusion of those individuals already far removed from the labour market.

¹³ Wynne, Richard/McAnaney, Donald.

4 OLDER WORKERS

Prolongation of working life and creating conditions for active ageing have been key issues in the EES over the last decade. Many EU and national initiatives aimed at securing human capital and tackling demographic change. There has been considerable progress in increasing labour market participation among older workers (from 39.7 % to 48.1 % between 2000 and 2008). The activity rate of older women increased from 29.6 % to 38.8 % and of older men from 50.6 % to 57.9 % over the same time period. The employment rate of older workers was raised by 8.5 percentage points from 36.9% in the year 2000 to 45.6% in the year 2008. The employment rate of older women increased by 9.5 percentage points from 27.4% to 36.9 % and the employment rate of older men by 7.9 percentage points from 47.1 % to 55.0 % between 2000-2008. There was a further increase of 0.7 percentage points between the first quarter of 2008 to the first quarter of 2009. Nevertheless, the 2010 benchmark of 60% is out of reach.

Tables 2 and 3 show the impact of age, gender and educational level on the activity and employment rate. The educational level generally has a strong impact on labour market participation. This is also true for the age group 55-64 years and is particularly pronounced for women in this age group.

Table 2: Activity rate by gender, age and qualification, %

	15-64	15-24	25-54	55-64
Women and men	70.8	43.5	84.8	48.6
Less than upper secondary	53.9	30.3	74.0	37.4
Upper secondary level	75.3	56.1	86.1	50.7
Tertiary level	87.4	70.3	92.6	67.6
Women	64.1	40.3	77.7	39.7
Less than upper secondary	43.8	24.8	60.9	29.4
Upper secondary level	69.0	52.2	79.6	42.7
Tertiary level	84.4	71.5	89.5	60.6
Men	77.7	49.6	91.9	58.1
Less than upper secondary	64.3	35.2	87.1	48.6
Upper secondary level	81.4	60.0	92.1	58.1
Tertiary level	90.7	68.6	96.1	73.3

Source: Eurostat, Data in Focus, Labour Market Latest Trends – 1st quarter 2009 data, 35/2009, based on LFS

Table 3: Employment rate by gender, age and qualification, %

	15-64	15-24	25-54	55-64
Women and men	64.8	35.3	78.2	45.5
Less than upper secondary	46.0	22.6	64.0	34.3
Upper secondary level	69.1	47.0	79.9	47.5
Tertiary level	83.4	61.5	88.6	65.2
Women	58.4	33.2	71.6	37.3
Less than upper secondary	37.3	18.7	52.2	27.1
Upper secondary level	63.1	44.1	73.5	40.1
Tertiary level	80.3	62.6	85.5	58.6
Men	70.8	37.3	84.9	54.3
Less than upper secondary	55.0	26.1	75.8	44.3
Upper secondary level	74.9	49.9	85.8	54.3
Tertiary level	86.8	59.9	92.2	70.5

Source: Eurostat, Data in Focus, Labour Market Latest Trends – 1st quarter 2009 data, 35/2009, based on LFS

The benchmark set in the Lisbon Strategy to increase the effective overall exit age from the labour market by five years by 2010 compared to 2001 is also out of reach. The figures for the EU 27 for 2007¹⁴ show a total increase from 59.9 to 61.2 years. For women the exit age increased slightly from 59.4 to 60.5 years and for men from 60.4 to 61.9 years.

¹⁴ Eurostat, Structural indicators.

The most important employment guidelines related to older workers are guidelines 17 and 18. The targets and benchmarks must be renewed and policy efforts increased. The objective must be emphasised in the EES and accompanied by a warning against a misuse of early retirement schemes as 'anti-crisis measures'.

Guideline 18 calls for support for active ageing, including appropriate working conditions, improved (occupational) health status and adequate incentives to work and the discouragement of early retirement approaches.

Perceptions of the health and employability of older workers are often inaccurate. With regard to older workers' work ability, it has to be noted that differences within the older population are greater than those between older and younger age groups. Chronological age is not in itself an indicator of mental or physiological ageing. The ability to perform work changes with age due a decline of physical capacity and some psychophysical capabilities (e.g. perceptiveness, response rate, efficiency of the sense organs) and the incidence rate of many diseases rises.¹⁵ Early preventative measures will help older people to stay in work and should apply to the entire workforce. This requires an improvement in the quality in work in all its dimensions. To facilitate the increase in the working age population, policy measures should not only focus on older workers but strive to establish working conditions and quality in work for the whole workforce in order to maintain work ability over the life course in order to ultimately extend working life. This requires the promoting of occupational health and safety as well as lifelong learning. Flexible working arrangements, particularly in the transition from work to retirement can support the prolongation of working life. There may, in certain circumstances, also be a need to adapt workplace and tasks to meet the needs of older workers and to allow them to stay in employment longer.

Working conditions that are capable of posing particularly acute problems for older workers are postural stress, extreme exertion, strict time constraints (e.g., assembly-line work or the imposition of higher output goals), harmful environments (temperature, noise) or unsuitable environments (lighting conditions), night work and shift work. Potential measures at the workplace are interventions to improve the psychosocial and physical work environment, changes to work content and organisation, and improving the general health, wellbeing and work ability of workers. A crucial factor in achieving the Lisbon strategy objective of attracting more people into employment and retaining them on the labour market is enhancing healthy life expectancy.¹⁶ These examples again underline the need to co-ordinate and mainstream policies in view of adverse demographic developments as well as using target group related policies aimed at removing employment obstacles.

¹⁵ European Agency for Safety and Health at Work, Workplace diversity and risk assessment: ensuring everyone is covered, Bilbao, 2009.

¹⁶ *ibid.*

5 YOUNG PEOPLE

The EU Strategy for Youth¹⁷ proposes a new, stronger Open Method of Coordination (OMC) which reinforces links with policy areas covered by the European Youth Pact¹⁸ and the Lisbon Strategy. Promoting labour market access and quality employment has been a key priority. Objectives of the EU Strategy for Youth regarding employment are to facilitate the transition from school, inactivity, or unemployment to work, including through the delivery of education and skills required in today's labour market.¹⁹

In the EU Youth Report²⁰, 57.5 % of young Europeans aged 15-29 are considered as economically active (meaning that they are either employed or actively seeking employment). The level of education has a strong impact on activity levels (see also table 2). In the age group 15-29, more than 65 % of young people with at most lower secondary education are economically inactive compared to only 16 % among the highly educated.²¹ More than one third (37,3 %) of young people aged 15-24 are NEETs (Not in Education, Employment or Training as a percentage of the population in the same age group). Among the Member States this figure ranges from 58.1 % in Bulgaria, 51.8% in Hungary to 18.0 % in the Netherlands or 21.1 % in Denmark.²²

At present, the most threatening development is the explosion of youth unemployment across the European Union and extremely high levels of youth unemployment in some Member States. In all Member States, the youth unemployment rate considerably exceeds the total unemployment rate. Young men are affected more strongly by growing unemployment than young women (see figure 1). Between August 2008 and July 2009, the youth unemployment rate rose by 4.3 percentage points compared to the total unemployment rate (which increased by 2.0 percentage points). Extreme increases in of percentage points of youth unemployment rates within this time period are observable in Latvia (16.2), Lithuania (16.0), Spain (12.7) and Ireland (12.4).

¹⁷ Commission of the European Communities, An EU Strategy for Youth – Investing and Empowering, A renewed open method of coordination to address youth challenges and opportunities, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Brussels, 27.4.2009, COM(2009) 200 final.

¹⁸ European Youth Pact, European Council Brussels, 22-23 March 2005, Presidency Conclusions, Internet: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/84335.pdf

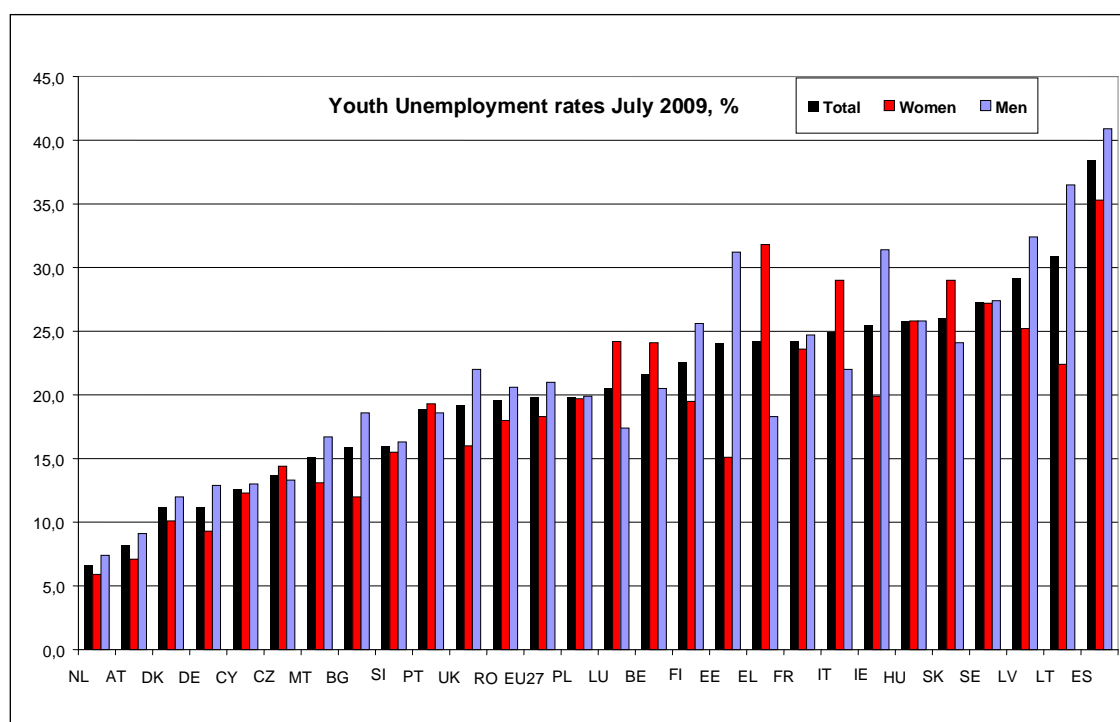
¹⁹ COM(2009) 200 final.

²⁰ In both the EU Strategy for Youth and the EU Youth Report the group of young people is classified as the age group 15-29 years. In this, it differs from the focus group of young people in the Structural Indicators. The same applies to the clustering of the other age groups. The population of working age covers the groups 20-59 and 60-65 years.

²¹ Commission of the European Communities, EU Youth Report, Commission Staff Working Document accompanying document to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Youth – Investing and Empowering, Brussels, 27.4.2009, SEC(2009) 549.

²² Commission of the European Communities, Appendix to the Youth Report.

Figure 1



Source: Eurostat, Harmonised unemployment rate by gender – age class 15-24 years (%); BE, EE, CY, LV, LT, SI Data for June 2009; EL, IT, RO Data for March 2009; UK Data for May 2009

The most important challenge for the EES post-2010 is to avoid all the serious long-term consequences for young people of early exclusion from employment. One key target of the EES is that young persons who have left school find a job, apprenticeship, additional training or other employability measure within 4 months by 2010. This target is of crucial importance and endeavours should be reinforced to help address increasing levels of unemployment among this target group.

Two key structural indicators in the EES – the rate of early school-leaving and the educational attainment level of young people – reflect the lack of progress towards the Lisbon targets and achieving the benchmarks set for 2010. In the EU27, the percentage of early school leavers was still 15.2% in 2007 compared to 17.6 % in the year 2000. In 2007, the rate was 13.2% for women and 17.2% for men. The benchmark of 10% for 2010 cannot be reached. As regards target figures and benchmarks for the EES in post-2010, new temporal benchmarks should be set and the endeavours to achieve the target figures should be reinforced. The benchmarks could for example be set at no more than 12 % early school leavers by 2012 and 10 % by 2014. Also with regard to the benchmark of at least 85 % of 22-year olds in the EU which should have completed upper secondary education by 2010 only disappointing progress has been made. The figure increased from 76.6 % in the year 2000 to 78.5 % in the year 2008. For women the rate increased from 79.3 % to 81.4 % and for men from 73.8 % to 75.7 % in the same time period. Increased efforts to achieve these benchmarks post 2010 are a high priority.

The EU Youth Report illustrates an emerging gender gap in higher education over the last decade (1998-2006). While in 1998, there were nearly 112 women to every 100 men in higher education, this ratio increased to 123 in 2006. There are 23 % more women than men in higher education.²³

²³ SEC(2009) 549

The transition periods from education to employment of young people have become significantly longer and more complex. The entry into the labour market is often characterised by employment in temporary and fixed-term and often low-quality, poorly paid jobs. 40 % of employed 15-24 year-olds work on a temporary contract and 25 % of employed 15-24 year-olds have a part-time job. Young women are slightly more likely to be in temporary employment and almost twice more likely to work part-time than young men.²⁴

With regard to young people, a complex set of policies is required including employment, educational and social policy. A comprehensive policy set is needed to secure pathways for future employment ranging from tackling early school leaving, raising educational attainment level, support of the transition from school to work or from apprenticeship to standard employment, and targeted vocational guidance – preferably towards occupations and sectors with good future prospects.

There is another alarming new phenomenon across Europe, which is the rise in the number of young people registered with disabilities. There seems to be some evidence from several countries of a rise of mental health problems as a cause of short-term and long-term absences from work and of early retirement.²⁵ Although more research and data is needed, this issue calls for attention against the background of a general increase of mental health problems. In particular, a direct transition from school to inactivity based on disability schemes seriously undermines endeavours to tap the employment potential of young people and to improve quality of life and work.

²⁴ COM(2009) 200 final.

²⁵ Wynne, Richard, Tackling the increased take-up of incapacity benefit by young people in the European Union, Workshop report, Prague, July 2009, European Foundation for the Improvement of Living and Working Conditions.

6 MIGRANTS

Against the background of the current deep recession and the expected further considerable increase in unemployment, endeavours towards encouraging immigration from third countries might not appear timely. Nevertheless, economic or labour migration from third countries is the main source of population growth in the European Union. There is a strong need for more effective policies to manage economic migration both at EU and national level and an integration of well-managed immigration policies in the post-Lisbon Strategy.

Over the last decade, the EU has established the foundation of a common legal framework on migration. The European Council has repeatedly called on the EU to respond to immigration challenges and opportunities and emphasised a close link between migration, employment and growth potential. The Mid-term review of Lisbon Strategy stressed the importance of legal migration to help address skill shortages, the improvement of integration policies to maximise the social and economic potential of migrants and the need to tackle illegal migration. A Communication from the European Commission²⁶ sets common principles for immigration policy. It focuses on all aspects related to future economic immigration into the EU and its contribution to the socio-economic development of the EU, such as matching skills and labour market requirements based on an assessment of EU labour markets addressing all skills levels and sectors. Labour matching policies and tools, include enhanced education and training for third-country workers in order to adapt the skills brought by immigrants to the characteristics of national labour markets. Integration is seen as the key to successful immigration and this requires more investment in measures aimed at bringing unemployed and economically inactive third-country nationals already legally residing in the EU into employment and to provide them with opportunities to participate and develop their full potential. The Communication also emphasises the need to further attract highly skilled migrants and to develop robust monitoring mechanisms for the identification of future skills needs. The Communication also discusses the governance of migration and stresses the need for a close coordination between the EU and the national level.

The Employment in Europe 2008²⁷ report provides a detailed review of the labour market situation, integration and characteristics of recent (since 2000) third country migrants to the EU and the migrants' impact on the labour markets. The term '(im)migrant' is defined as an individual who resides in a country other than the one where they were born and applied the 'country of birth' approach. Table 4 presents some data on the labour market situation for third country migrants, which is significantly worse than that of non-migrants. Migrants are often more likely to have jobs of lower quality or for which they are over-qualified. Third country migrants of working age are on average younger than those who are EU-born citizens. They have a higher share (63%) of prime working age individuals (25-54 years) compared with 42% of the EU-born population.

Table 4: Employment indicators of third country compared with EU-citizens, 2007, %

	Activity rates	Employment rates	Unemployment rates
EU-citizens	69.2	64.6	6.6
Non-EU-born	71.1	63.3	10.9

Source: *Employment in Europe 2008*; Data does not include Bulgaria, Germany and Ireland

²⁶ Commission of the European Communities, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A common Immigration Policy for Europe: Principles, actions and tools, Brussels, 17.6.2008, COM(2008) 359 final

²⁷ Employment in Europe 2008

At EU level, there are broadly equal numbers of male and female third country migrants. Employment rates of female non-EU-born migrants are significantly lower than those of female EU citizens.²⁸ A study of migrant women in the European labour market highlights the need to better integrate a gender dimension into relevant immigration policies, and the migrant dimension into gender policies.²⁹ The study assesses the relative disadvantages experienced by migrant women, compared to EU-born women and migrant men and demonstrates the double disadvantage of migrant women in the labour market. They are affected by a stronger occupational segregation and a stronger 'de-skilling'.

According to figures from the European Commission there are currently around three million unfilled vacancies. This concerns jobs in highly skilled sectors, such as engineering or information technology but also in lower-skilled jobs. A need for immigration is seen in order to alleviate the effects of population ageing, to address labour and skill shortages, and to meet sectoral and occupational needs. Immigration gains importance as an essential source for meeting demands for high-skilled labour.³⁰

As there is a global competition – including with newly emerging markets (e.g. China, India, Brazil)³¹ – for highly skilled labour, EU migration policy must make the EU a more attractive destination for such immigrants and their families.³² Data from the OECD³³ show that the EU has comparably low shares of highly skilled migrants in total employment compared to other similarly developed economies. While the share of migrants aged 15 and over with tertiary education relative to total employment is 7.8 % in Australia, 9.7% in Canada, 5.4% in Switzerland, and 4.5 % in the US it is only around 2.1 % in the EU.

Economic migration is the subject of Integrated Guidelines³⁴ 18, 19 and 20. Guideline 18 emphasises the need to integrate immigrants. Guideline 19 stresses that full consideration must be given on the national labour markets to the additional labour supply resulting from immigration of third-country nationals, and Guideline 20 emphasises the 'appropriate management of economic migration' to better match labour market needs. All in all, the integrated guidelines do not reflect the complexity of migration policies. The post-Lisbon strategy has to focus on two main strands in the migration policies. The first is to achieve the better labour market integration of migrants already residing in the EU or those immigrating for humanitarian reasons. The second strand, related to demographic and economic developments are policies to attract migrants to meet labour market shortages and to facilitate access to the EU labour market for these groups. Such policies must aim to regulate the composition and scale of immigration in line with current and future demands on the labour market.

A key issue for targeted and forward looking post 2010 policies is to identify skills needs and labour shortages. It is highly contested what the requirements for immigration really are, how they vary across countries, sectors and occupations and it is therefore important

²⁸ *ibid.*

²⁹ Rubin et. al., Migrant women in the EU labour force, Summary of findings, Prepared for the European Commission (DG EMPLOY), 2008.

³⁰ Employment in Europe 2008

³¹ Maniatis, Gregory A., Building a Common Understanding About More Effective Migration Policies in the European Union, Labour Migration and its Development Potential in the Age of Mobility, Swedish Presidency, 15-16 October, 2009, Malmö, Sweden.

³² Münz, Rainer, Demographic Change, Labour Force Development and Migration in Europe – Current Situation, Future Outlook and Policy Recommendation, Labour Migration and its Development Potential in the Age of Mobility, Swedish Presidency, 15-16 October 2009, Malmö, Sweden, Round table theme1: Labour immigration.

³³ OECD database on immigrants in OECD Countries (DIOC)

³⁴ <http://register.consilium.europa.eu/pdf/en/08/st10/st10614-re02.en08.pdf>.

to critically scrutinise what exactly is meant by 'skills' in different contexts.³⁵ This is a general topic with regard to the entire current and future workforce. In terms of immigration policies a further aspect is to explore if and how such skills needs and labour shortages can best be met and new entrants can be integrated. Current migration policies are criticised as inadequate and because they failed to contribute to meeting shortages in many high-skilled areas, to take full advantage of the skills of legal migrants, and because they could not prevent the significant entry of illegal immigrants.³⁶

With regard to monitoring migration, the Employment Committee notes that data quality is still a major problem for migration statistics and LFS data are used until better migration data is available.³⁷

³⁵ Ruhs, Martin, A need for migrant labour? Labour shortages and immigration policy during economic growth and crisis, in: Labour Migration and its Development Potential in the Age of Mobility, Swedish Presidency, 15-16 October 2009, Malmö, Sweden, Round table theme1: Labour immigration.

³⁶ Maniatis 2009

³⁷ Employment Committee, Employment Guidelines 2009, Indicators for monitoring and analysis in the NRPs 2009, Report endorsed by EMCO on 24 June 2009.

7 WOMEN

A [press release](#) of 15 October from the European Commission³⁸ entitled: 'Gender equality to boost economic growth by 15% - 45% of GDP' points to a promising way to improve gender equality, tackle the economic crisis and at the same time increase GDP. In a conference of the Swedish Presidency entitled 'The significance of gender equality for economic growth and employment', evidence was provided on the positive impact of gender equality. A study by Löfström³⁹ illustrates the strong connection between gender equality, economic growth and employment and highlights that countries with higher GDP levels have higher female employment rates.

'Calculation of a maximum value of these gains shows that there is a potential for increased GDP of between 15 and 45 per cent in the EU member states. Even if this might be an overestimation of the real gains by 20-25 percent, the magnitude of the figures nevertheless suggests that the gains to be had from greater gender equality in the labour market are substantial.'

However, increasing GDP levels by enabling and attracting more women to enter the labour market requires a broad range of gender equality actions. Among the most important of these are policies to improve the social infrastructure regarding childcare and care of the elderly. In addition, it remains important to address certain cultural attitudes and economic incentives of various kinds which influence female labour supply. Greater female participation could also be generated by improving work-life balance policies, including leave arrangements which emphasise labour market attachment and flexible working.

Women have been the main resource for employment growth since the Lisbon Strategy was set up. Both the employment and activity rates of women were less affected by the crisis than the respective rates of men over the last year.⁴⁰ Table 5 shows that female employment rates increased considerably between 2000 and 2008, from 53.6 % to 59.1 % (this is compared to an increase by 2.1 percentage points for men). The benchmark of a 60 % female employment rate was almost achieved in the year 2008.

Table 5: Employment rates 2000-2008, %

	Total	Women	Men
2000	62,1	53,6	70,7
2001	62,5	54,3	70,8
2002	62,4	54,5	70,4
2003	62,7	55,0	70,4
2004	62,8	55,4	70,2
2005	63,6	56,3	70,8
2006	64,5	57,3	71,7
2007	65,4	58,3	72,5
2008	65,9	59,1	72,8

Source: European Commission, *Indicators for monitoring the Employment Guidelines, 2009 compendium*, Latest update: 29.07.2009; *People in employment in age group 15-64, EU 27*

Between 2000 and 2008 the gender employment gap decreased by 3.4 percentage points from 17.1 % to 13.7 % (Table 6). Across the Member States both the level of the gender employment gaps as well as its development vary considerably. The gap ranges from 35.1

³⁸ IP/09/1527, Brussels, 15 October 2009. Internet: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1527&format=HTML&aged=0&language=EN>

³⁹ Löfström, Åsa, Gender equality, economic growth and employment.

⁴⁰ Weiler 2009

percentage points in Malta to 4.1 percentage points in Finland. While in some Member States the employment gap narrowed significantly between 2000 and 2008, the employment gap widened in 7 countries.

The increased participation of women in the labour market in most countries is strongly related to the high share of part-time work. The percentage of women working part-time is four times higher than for men. In terms of full-time equivalents the gender employment gap is significantly wider, while the closing of the gap is noticeably smaller between 2001 and 2008 (Table 6). The only exceptions are France and Malta where the closing of the gap was stronger in terms of the calculated employment equivalent.

Table 6: Gender employment gap 2000 and 2008 and gender employment gap in full-time equivalent 2001 and 2008, percentage points

	Employment gap		Employment gap in fulltime equivalent	
Country	2008	Change since 2000	2008	Change since 2001
EU27	13.7	-3.4	20.2	-2.3
BE	12.4	-5.6	21.5	-4.1
BG	9.0	0.6	9.2	2.9
CZ	17.8	1.5	19.0	0.6
DK	7.6	-1.6	13.3	-0.6
DE	10.5	-4.3	22.7	-1.7
EE	7.3	-0.1	9.0	-0.8
IE	14.7	-7.7	23.8	-6.4
EL	26.3	-3.5	28.7	-2.7
ES	18.6	-11.3	24.1	-8.9
FR	9.1	-4.9	14.1	-6.2
IT	23.1	-5.3	27.6	-1.9
CY	16.3	-8.9	18.9	-6.3
LV	6.7	-1.0	7.8	0.4
LT	5.3	2.5	8.5	4.8
LU	16.4	-8.5	26.1	-3.7
HU	12.4	-1.0	14.2	-0.4
MT	35.1	-6.8	37.1	-8.9
NL	12.1	-6.5	29.1	-4.4
AT	12.7	-5.0	22.7	-2.4
PL	13.9	1.6	15.6	3.1
PT	11.5	-4.5	15.1	-4.5
RO	13.2	2.1	14.7	1.8
SI	8.5	-0.3	10.5	-0.6
SK	15.4	4.7	16.1	4.7
FI	4.1	-1.8	7.5	-0.5
SE	4.9	0.7	11.3	1.0
UK	11.5	-1.6	21.1	-3.2

Source: European Commission, Indicators for monitoring the Employment Guidelines, 2009 compendium, Latest update: 29.07.2009

The gap in the unemployment rates between women and men reduced constantly from 2.0 percentage points in 2000 to 0.9 percentage points in 2008. In the context of the crisis, the unemployment rate gap was closed over the last year. This is mainly due to the fact that many of the sectors hardest hit, such as the automotive industry or construction, are male dominated sectors.

Although there are a number of gender gaps, a crucial issue is the persistent gender pay gap. The latest statistical data on the gender pay gap is available for the year 2007. The structural indicator for monitoring the gender pay gap is now based on a harmonised source and defines the gender pay gap as the difference between women's and men's average gross hourly earnings as a percentage of men's average gross hourly earnings. Data based on the Structure of Earnings Survey reveals that although there is a slight reduction of the gap from 17.7% in 2006 to 17.5% (provisional value) in 2007, the gap widened in 12 Member States in the same time period, and in 8 Member States the gap remained unchanged. Only in a minority of 7 Member States a slight reduction of the gap is

observable⁴¹.

Gender equality is particularly addressed in the Integrated Guidelines 17, 18, and 22. New benchmarks should support endeavours to raise the female employment rate to the level of male employment rates by the middle of the century. For the next decade clear graduated benchmarks should be set. For example the benchmark of 60 % female employment rate should be achieved by 2012, 62 % by 2015 and 65 % by 2020 at latest.

Guideline 18 'Promoting a lifecycle approach to work' calls for 'resolute action to ... reduce gender gaps in pay'. The guideline does not set any benchmark or recommend policy actions aiming at closing the gender pay gap. The gender pay gap has doubtless an impact of female activity and employment rates, but the attempt to tackle the gender pay gap has to take place in a broader policy framework and is misplaced under the heading of 'Promote a lifecycle approach to work'.

The gender pay gap is linked to problems with wage structures and collective bargaining and should also be tackled within this policy field (see Integrated Guidelines 22). The persistence of the gender pay gap gives evidence that such a complex issue can only be tackled if it is embedded in an comprehensive approach. Pay consists of several elements such as basic pay differentials, performance related pay elements and bonuses. Experience shows that pay is strongly related to social status. Improvements for example in the area of basic pay (which is the key focus of the equal pay for equal work or work of equal value) often lead to the introduction of new differences in other pay elements (such as bonuses or overtime work). In order to tackle the gender pay gap the entire pay structure and determination must be in the focus.

The strategic post-2010 concepts must be more forward looking and include shifts in employment between sectors and occupations with regard to the pervasive gender-based employment segregation⁴². The development of sectors and occupations should be constantly monitored and analysed and integrate gender-related as well as demographic trends. While women achieve comparably higher levels of educational attainments and qualification, or display significantly higher rates of life-long learning there are still pronounced differences in career prospects between women and men. Desegregation policies are required in order to really take full advantage of the employment potential of women for the next decades, as segregation may hamper the efficient allocation of labour supplies. There are indications that skills- and labour shortages are more likely to affect male- or female-dominated employment areas than more than mixed employment areas⁴³.

As there seems to be a link between higher female employment rates and other aspects of gender equality on increased economic growth it is clearly important to give a gender perspective a high priority in the European Employment Strategy to take advantage of the great potential for economic growth and enhancing quality of work and life by means of reconciliation policies.

⁴¹ Eurostat, Structural indicators, Gender pay gap in unadjusted form

⁴² Bettio, Francesca/Verashchagina, Alina, Gender segregation in the labour market, Root causes, implications and policy responses in the EU, European Commission's Expert Group on Gender and Employment (EGGE), European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit G1, Luxembourg, Publications Office of the European Unions, 2009.

⁴³ *ibid.*

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