

# Citizens' summary

## Proposal for a shared commitment for employment

### WHAT'S THE ISSUE?

- The economic crisis has led to job losses in almost all EU countries and the danger of more widespread social problems such as long-term unemployment and rising poverty.
- The EU proposes a **shared commitment for employment** between the Commission, EU countries, trade unions and employers' associations.
- Three priority areas for action will be:
  - **maintaining employment, creating jobs and promoting mobility**
  - **upgrading skills and matching labour market needs**
  - **increasing access to employment.**

### WHAT EXACTLY WOULD CHANGE?

- National **measures to respond to the crisis will be stepped up and better coordinated**, avoiding negative effects on other countries.
- **Measures at national and EU level** will include:
  - promoting **more effective short-time working** combined with training to keep people in employment
  - **immediate help for the unemployed** to avoid the risk of long term unemployment and loss of relevant skills; supporting entrepreneurship and business creation;
  - **supporting young people** through apprenticeships and other services helping them to enter the labour market;
  - **upgrading skills** for all – both those looking for work and those in work
  - **reinforcing public employment services** to help people find new jobs.
  - **assisting the most disadvantaged to get back** into work and stimulate the demand for low-skilled for instance in household and care services;
- **Better access to EU funding to help people stay in employment or find a new job**, in particular from the European Social Fund (some €19bn for 2009-10) and the European Globalisation Adjustment Fund.
- **Proposal for an EU microfinance facility for employment** providing approximately €500m in loans for micro-credits to support those facing problems to obtain funds to set up a business, and to develop micro-enterprises and the social economy.

### WHO WOULD BENEFIT AND HOW?

- **Workers:**
  - temporary short-time working arrangements combined with training to keep people in employment

- more vocational training and more individualised services to help people to find new job opportunities;
- better matching of skills and vacancies making it easier to find work in other EU countries.
- new opportunities to start an own business through micro-credits under the new facility for employment.
- **Companies:**
  - easier to find workers with the required skills
  - facilitating hiring new staff with reduced hiring costs when necessary;
  - more financing opportunities for training;
  - a practical tool-kit can help with adjusting to new economic circumstances
- **Young people:**
  - better access to traineeships, apprenticeships, training or a job at an early stage
  - easier to start up a new business
  - early school leaving reduced.
- **Unemployed people:**
  - easier transitions to new jobs through comprehensive support, including training.
  - stepped-up ESF support to find employment;
  - opportunities to start a new business
  - more job opportunities as a result of job creation measures and lower hiring costs.

#### WHY DOES ACTION HAVE TO BE TAKEN BY THE EU?

- The economic crisis affects **businesses and workers throughout the EU**. National policies can have positive or negative consequences for other EU countries – this proposal aims to maximise positive effects and avoid negative ones.
  - EU funding from the European Social Fund and the European Globalisation Adjustment Fund will boost measures taken under this proposal.

#### WHEN IS THE PROPOSAL LIKELY TO COME INTO EFFECT?

- The European Council on **18-19 June 2009** will discuss the proposal and agree measures to be taken at EU and at national level.
- Some measures may be implemented soon thereafter, others will be introduced gradually.