

Employment in Europe report 2007

Some comments on chapter 1 and 2: youth and older
workers

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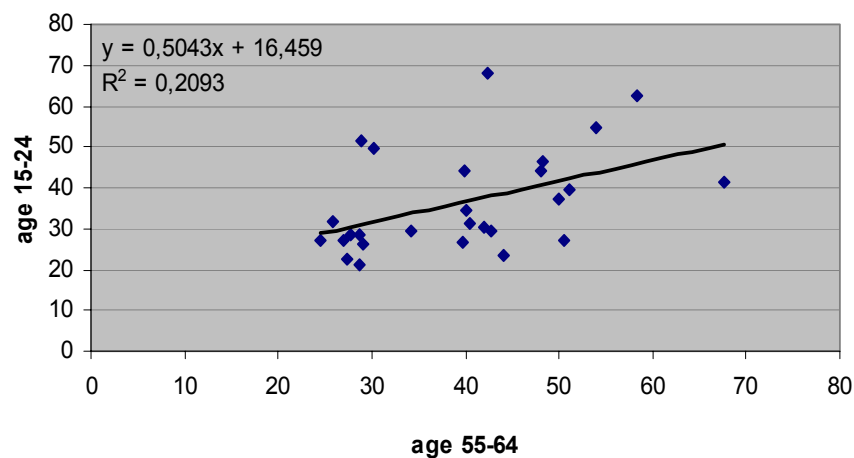
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- EE report is an excellent contribution to both topics
- Some selected issues:
 - the challenge of education and training
 - the challenge of NEETS
 - the challenge of labour market transition of youth and older workers (rather good for young, difficult for old)
 - the particular barriers to an increase in the employment rates of older workers (a mix of demand side and supply side factors: early retirement and equivalents, wages, age discrimination)
 - The challenge of EPL and of flexicurity
 - The heterogeneity of member countries

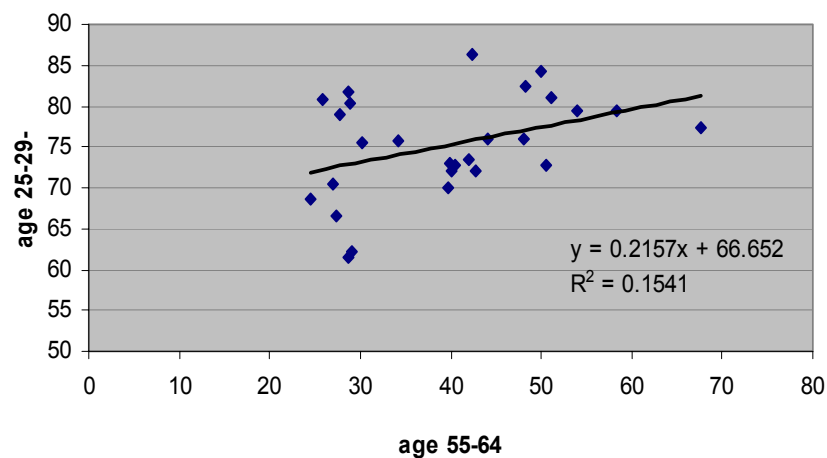
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- However, the report does not make too much of an explicit link between the employment problems of youth and older workers.
 - This requires more attention:
 - for example do we observe a trade-off or a complementarity?
 - Different diagnosis would imply different policy recommendations

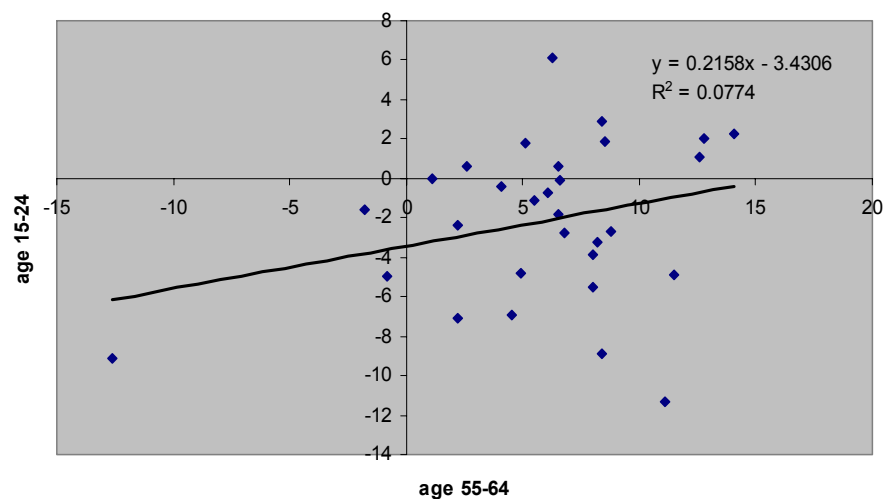
Employment rate (%) 2000-05 average
EU-27



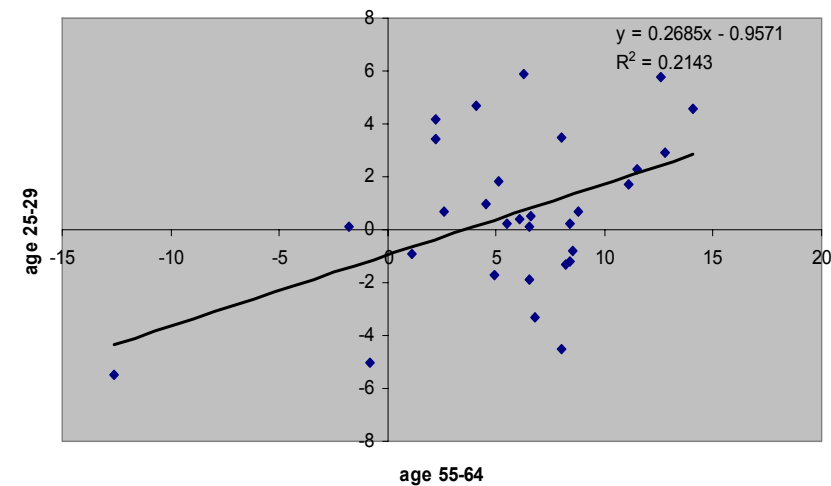
Employment rate (%) 2000-05 average
EU-27



Percentage point change in employment rate 2000-2005



Percentage point change in employment rate 2000-2005



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- Even if one observes complementarity in general, some member countries seem to have a trade-off and it should be analysed more deeply
 - In general , there is also an overlap of employment problems - for some time at least (and again, more pronounced in some member countries)- of youth (high unemployment) and older workers (low employment rates)

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- And how does this relate to flexi-curity?
 - A first observation is that the classical flexi-curity countries have rather inclusive labour markets of the complementarity type (with a high degree of PT and temp jobs, albeit with high transformation rates and high voluntary PT shares)
 - In others there is more segmentation between older and stable workers and younger and more precarious workers
 - One can't address both challenges (for youth and older) with partial flexi-curity policies (e.g. transition security through active labour market policies for older workers alone in face of persistent youth unemployment)

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- How would a combined and **negotiated** policy package for both challenges look like? (apart the early retirement issue)

2 controversial issues

- Lower wages for older workers?
- Less EPL for younger workers?

2 consensual issues:


- More active LMP for both groups
- Education and training for both

1 other probably consensual but particularly difficult issue:

- More balanced life cycle flexibility/security balance (now flexibility often concentrated on young)

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- Indeed, there is a call for a life cycle approach to employment problems: but what is the feasibility of such a life cycle approach to labour market risks as proposed for example by the transitional labour market « school »?
- The ILO has some principles for decent work in the lifecycle
 - Early childhood policies (education and care for physical, mental and emotional development)
 - Adolescence and Youth policies of ET and stimulating the transition from school to work,
 - For adults quality employment and secure income and balancing of paid and unpaid work, work and life long learning, and in general a good worklife balance and life long learning
 - Productive (active) and secure ageing (ILO, Gender promotion programme, 2003)

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- But how to manage in an integrated manner such complex policies falling under the responsibility of different ministries, different departments of the social partners, and
 - belonging to different academic disciplines who act as „advisers to the king/queen“?

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- A last remark on targets and goal attainment:
 - Now it seems that targets (of Barcelona, Stockholm) etc. are not easily reached, what is the conclusion?
 - That target setting works and that the way is the goal?
 - That one has to set reachable targets, refine targets as you go?
 - But given the recent good employment development, the OMC and progress by benchmarks seem to work pretty well.....and that is good news for all those who think that employment strategies work, when properly designed, set targets that are monitored.

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EES/LISBON shows us that
Employment is not simply a
derivative of economic activity,
but a product of the interaction of
economic and political/policy
factors and this is also relevant
for the ILO's decent work and
Global Employment Agenda