

# SOCIAL AGENDA

ISSUE N° 27 • July 2011

**Adapting to change –  
the EU approach to restructuring**

**Older but healthier**

**Social services of general interest  
and EU rules: help is on the way**



Since the beginning of the economic crisis the issue of restructuring has been placed at the top of the agenda of social partners, managers and social workers across the world. In the current economic climate anticipating, managing, limiting and cushioning job losses, however caused (from mass dismissals following big company closures to sporadic lay-offs in SME's and the termination of casual workers) becomes increasingly difficult. But even in previous, less challenging times, restructuring had already made its mark as a permanent, structural component of the economic fabric of everyday life. Globalisation, information technologies, climate change and demographic changes are inexorably changing our economies and societies, pushing companies to restructure in order to stay competitive. The question is "should we be doing anything about that?", and if so, what can we do? The European Union believes that we have to adapt – it's the best way for us to ensure our future growth and prosperity. Restructuring can underpin economic and social progress — but only if the structural changes are correctly anticipated, if the firms affected can take corrective measures and manage the necessary change quickly and effectively, and if the public authorities help to create the right conditions.

*"Restructuring can underpin economic and social progress — but only if the structural changes are correctly anticipated"*

Thus, anticipation, preparation and accompanying measures are essential.

In this edition's "Special feature", which begins on page 15, we take a closer look at the different initiatives that the EU has put in place in order to help Member States reduce the negative impact of restructuring and help people capitalise on the opportunities it presents. They encompass the exchange of experience and best practice, the dissemination of information and the provision of financial support, notably through the European Globalisation Adjustment Fund.

Elsewhere in the magazine we examine the findings of the latest European Commission report on demography. It shows that Europeans continue to live longer and healthier lives. It also points to the emergence of a new generation of "borderless" Europeans: young, educated and moving with great ease between different countries to study, work and live. We also take a look at the situation in respect to the free movement of workers within the EU as the last post-2004 restrictions are lifted, an event of high symbolic value.

**Koos Richelle**



### Older but healthier

The third edition of the European Commission's Demography Report shows we are living longer than ever, and staying healthy well into old age. p.7

### Adapting to change – the EU approach to restructuring

Restructuring may be a necessary part of economic life, but its consequences can be painful for those affected. That is why the EU tries to help anticipating and managing change through a range of policies and instruments. p. 15

### Social services of general interest and EU rules: help is on the way

The European Commission has published a guide to help public authorities better to understand and apply European Union rules to social services of general interest. p. 21



# CONTENTS

## DEMOGRAPHY

Older but healthier 7

## FREE MOVEMENT

Workers from eight more EU countries to enjoy full freedom of movement 11

## EMPLOYMENT

New Commission action to create jobs for the young 13

## SPECIAL FEATURE

Adapting to change – the EU approach to restructuring 15

Anticipating change 16

Tackling the skills gap 18

Talking therapy 19

The European Globalisation Adjustment Fund adjusts itself to change 20

## SOCIAL INCLUSION

Social services of general interest and EU rules: help is on the way 21

## SOCIAL PROTECTION

EU consultation on pensions – the results 24

## INTERNATIONAL

Greening the global economy 25

## OTHER VOICES

Capitalising on past and present European experience to anticipate and manage restructuring 26

## ITEMS

News in brief 4

Interview with Pervenche Berès, MEP, Chair of the European Parliament Employment and Social Affairs Committee 27

Recent publications 28

Useful websites 28



A magazine providing information on European employment and social policies, Social Agenda is published in English, French and German by the European Commission's Directorate-General for Employment, Social Affairs and Inclusion.

Editor in chief: Koos Richelle, Director-General, DG Employment, Social Affairs and Inclusion – European Commission, B-1049 Brussels  
65,000 copies of this issue were published. Subscription is free on request – please contact: European Commission, Employment, Social Affairs and Inclusion DG – InfoCentre,  
B-1049 Brussels, Fax.: (32-2) 296 23 93; <http://ec.europa.eu/social/contact>

Notice: Neither the European Commission, nor any person acting on its behalf, may be held responsible for the use to which information contained in this publication may be put, or for any errors which, despite careful preparation and checking, may appear. © European Union, 2011

Non-commercial reproduction authorised, subject to acknowledgement of the source.

For any use or reproduction of photos which are not under European Union copyright, permission must be sought directly from the copyright holder(s).

© Cover photo: Getty Images

## EMPLOYMENT AND EUROPEAN SOCIAL FUND



The Commission is organizing a series of **high-level events on the contribution of EU funds to the integration of Roma** in June in Bulgaria. The events come as a follow-up to the 2008 EU Roma Summit in Brussels and to similar events in Hungary in 2009 and Romania in 2010. A national event is taking place on 21 and 22 June in Sofia, followed by two regional events in Veliko Tarnovo on 23 June and in Burgas on 24 June. The events aim at raising awareness about the opportunities offered by EU funds, promoting their use and improving the impact of projects supported by them. They are also part of a process towards a better involvement of the Roma in the implementation of the EU-funded operational programmes. Speakers include representatives from EU institutions, the Bulgarian Government, the National Assembly, local authorities, international organisations and NGO. They will address a target audience of representatives from national,

regional and local authorities, potential beneficiaries of EU funds, including municipalities and NGOs dealing with the integration of the Roma, and the media.

The European Commission has launched **Youth@Work**, a new action that links business and young people. Youth@Work will build contacts between young people and small and medium size enterprises (SMEs) - to encourage demand among SME employers for young employees and, in turn, to promote working in SMEs to young people. In this way, it will help Europe's youngsters to find jobs, and provide small companies with inventive, energetic new employees. Young people's ideas and enthusiasm can also translate into a desire to set up their own businesses. To encourage this interest, Youth@Work will also offer information and advice to would-be young entrepreneurs to help them develop entrepreneurial skills and mindsets. It will reach out to young jobseekers and SME employers through innovative sessions, on topics such as networking, mentoring and recruitment, which will be organised at job fairs across the EU from autumn 2011. The action will work in close cooperation with the EURES network of employment advisors and the national public employment services, present in every EU country. Youth@Work is part of the EU's Youth on the Move initiative (see related article on p. 13).

The demand for labour in Europe increased significantly in 2010, mainly in trade, manufacturing and non-financial business services, according to **the March edition of the European Vacancy Monitor**. All sources point to a positive development of the job market in Europe, with increasing job vacancies and hiring, though not in all regions to the same degree. Lithuania, Germany and Sweden show a particularly strong growth in labour demand. This trend is less pronounced in Latvia, Cyprus, Romania, Bulgaria, Slovakia, Netherlands, Slovenia, Czech Republic and Greece. While manufacturing labourers are the fastest growing group of job finders in Europe, there is rising demand also for cashiers, tellers and related clerks, sales and marketing managers, as well as finance and administration department managers, housekeeping and restaurant services workers, office clerks with general clerical duties and electrical and electronic equipment mechanics and fitters. ■■

## WORK ORGANISATION, WORKING CONDITIONS AND SOCIAL DIALOGUE

The European Commission reaffirmed its commitment to promoting **corporate social responsibility** with the publication of the study “Responsible Supply Chain Management, potential success factors and challenges for addressing prevailing human rights and other CSR issues in supply chains of EU-based companies”. A key area of CSR adherence is the extent to which companies manage their supply chains responsibly, i.e. they ensure their chains of suppliers and/or subsidiaries respect basic rights – be they labour rights (for example, a living wage, freedom of association, work-life balance, or aspects of decent work), or other rights (for example, health and safety at work, no use of child or forced labour, respect for citizens in local communities, or access to water/food). The study looks at responsible supply chain management in practice by European companies. It focuses on three industrial sectors of major importance to the EU (cotton, sugar from sugar cane, and mobile phones) in relation to five key CSR supply chain management issues (child labour, freedom of association and collective bargaining, an adequate standard of living, unfair price levels, and biodiversity). ■■



© Getty Images



© iStock

## MOBILITY

The **transitional arrangements** which allowed the EU-15 countries to restrict access to their labour markets for workers from eight countries which joined the EU in 2004 came to an end on 1st May. Workers from Hungary, the Czech Republic, Slovakia, Slovenia, Poland, Latvia, Lithuania and Estonia are now free to go and work in other EU countries. No restrictions had been foreseen for Maltese and Cypriot workers, while for Bulgaria and Romania, which joined the EU on 1 January 2007, the transitional arrangements apply until 31 December 2013 at the very latest. Those EU countries which impose restrictions on the right of Bulgarian and Romanian nationals to work there must lift these restrictions by 31 December 2011. Only if they inform the Commission of serious disturbances in their labour markets by that date will they be able to continue to restrict access to their labour market for two more years (see related article on p.11). ■■



## PROMOTING AN INCLUSIVE SOCIETY

The 19th European Social Services Conference will take place in Warsaw from 6 to 8 July. The conference will be organised by the European social network (ESN) in partnership with the Polish Presidency of the European Union. This year's theme is "Building an Active and Caring Society: Innovation, Participation, Community". Regularly attracting over 400 delegates from more than 30 countries, the annual European Social Services Conference is intended for all those concerned with planning and delivering European social care and health. Through plenary presentations and a topical workshop programme, the conference offers learning and networking opportunities to all those responsible for planning and implementing services in different European regions: planners, politicians, managers and professionals.

To mark the **3rd European Day on Solidarity between Generations** on 29 April, the European Commission organised the high level conference 'Towards the European Year for Active Ageing and Solidarity between Generations (2012)'. The conference brought together Member States, regional and local authorities, social partners and civil society organisations. It also served as an important milestone in finalising plans for the European Year 2012.

Active ageing is key to Europe reaching its Europe 2020 headline employment target of 75%. It is also an important way to maintain solidarity between generations in societies with rapidly increasing numbers of older people. At the conference, stakeholders were invited to commit to specific objectives and activities in view of the European Year 2012. A first version of the future website of the European Year 2012 was also launched: <http://europa.eu/active-ageing-2012>

The first two **EU microfinance projects** were launched in February in the Netherlands and in Belgium respectively. Dutch Microfinance Institution **Qredits** will be able to provide loans totalling over 20 million euros to small businesses and people in the Netherlands who have lost their jobs and want to set up their own company. In Belgium, microfinance provider **Microstart** will do the same starting in three Brussels neighbourhoods severely affected by unemployment and social exclusion, and gradually extending its operations to Flanders and Wallonia by the end of next year. Both institutions benefit from a guarantee by the European Progress Microfinance Facility. ■■





## Older but healthier

The third demography report identifies the main trends affecting the European Union's population

**G**radual but nonetheless major changes are affecting Europe's population. Recent demographic trends – namely an ageing population coupled with a shrinking workforce – remain firmly entrenched; however a new report by the European Commission shows some interesting new developments: a modest rise in fertility and an increase in the old continent's diversity, with more and more of its citizens (especially the young) being foreign-born and/or moving freely across national borders to work, study and live.

The third Demography Report, unveiled on 1 April, confirms the trend towards an older population. As the so-called "baby-boomers" born in the post-war years begin to reach their sixties and retire from the labour market, ageing is no longer something that will happen at some point in the distant future; it is starting now. In 2010, the oldest populations were found in Germany and

Italy, whose citizens' median ages were respectively 44 and 43, while the youngest are by far the Irish, at "just" 34.

### Europe is getting older...

On the plus side, life expectancy has been increasing in an almost continuous and uniform trend at the rate of 2-3 months every year: European men can now expect to reach a respectable 76 years of age, but they are still outdone by women, with an impressive average life expectancy of just over 82. Of course the situation varies across member States: on average, French women can confidently expect to live to 85, while their Romanian and Bulgarian counterparts will "only" reach the age of 77. What's even more important, longevity is accompanied by a rise in "healthy" years: up to a certain point old age does no longer automatically mean frail health and

loss of autonomy and independence. This is of course a pre-requisite for active ageing. Moreover, in a context of rising life expectancy, a rise in healthy life expectancy will help curb the increase in health costs associated with ageing. At the same time, the share of those aged 80 and above is rising fast. It is around 4% now, but will rise to 12% in 2060. The growing share of over-80's will put a strain on the provision of services for the elderly, mainly health and long-term care. The share will be highest in Italy and lowest in Luxembourg and the United Kingdom.

"Life expectancy is increasing while Europe's workforce is shrinking and, in some Member States, this is happening very fast. We have to adapt our policies to promote a better work/life balance so parents can have children while continuing to work, and we must design policies to encourage Europeans to remain active longer," said European Commissioner for Employment, Social Affairs and Inclusion László Andor, adding: "The EU's Europe 2020 strategy provides the framework for efforts to increase employment and reduce poverty but to tackle the demographic challenge we also need to anchor our priorities in areas like health, migration and regional policies".



### Fertility rates in the European Union

	1980	1990	2000	2003	2009
EU-27	-	-	-	1.47	1.60
BE	1,68	1,62	1,67	1,66	1,84
BG	2,05	1,82	1,26	1,23	1,57
CZ	2,08	1,90	1,14	1,18	1,49
DK	1,55	1,67	1,77	1,76	1,84
DE	-	-	1,38	1,34	1,36
EE	-	2,05	1,38	1,37	1,62
IE	3,21	2,11	1,89	1,96	2,07
EL	2,23	1,40	1,26	1,28	1,52
ES	2,20	1,36	1,23	1,31	1,40
FR	1,95	1,78	1,87	1,87	1,98
IT	1,64	1,33	1,26	1,29	1,42
CY	-	2,41	1,64	1,50	1,51
LV	-	-	-	1,29	1,31
LT	1,99	1,03	1,39	1,26	1,55
LU	1,50	1,60	1,76	1,62	1,59
HU	1,91	1,87	1,32	1,27	1,32
MT	1,99	2,04	1,70	1,48	1,44
NL	1,60	1,62	1,72	1,75	1,79
AT	1,65	1,46	1,36	1,38	1,39
PL	-	2,06	1,35	1,22	1,40
PT	2,25	1,56	1,55	1,44	1,32
RO	2,43	1,83	1,31	1,27	1,38
SI	-	1,46	1,26	1,20	1,53
SK	2,32	2,09	1,30	1,20	1,41
FI	1,63	1,78	1,73	1,76	1,86
SE	1,68	2,13	1,54	1,71	1,94
UK	1,90	1,83	1,64	1,71	1,96

Source: Eurostat

### ... but fertility is rising

Skipping across generations, the report also shows that fertility rates in the EU continue to rise slowly. They increased from below 1.45 children per women to 1.6. However, for a population to be self-sustaining, 2.1 children per woman are needed. Fertility is one of the main drivers in population change. Low fertility rates contribute to population ageing and the current levels of fertility in the EU actually mean that our population will start decreasing in 2050-2060. The population in some Member States is already shrinking due to the low fertility rates registered in the past. Interestingly, the report shows that the modest increase in fertility results from somewhat unusual family-building patterns: countries with fewer marriages, more cohabitation, more divorces and an older average age of women at childbirth tend to have higher fertility. The increase itself is observed mostly in the Central and Eastern EU Member States, where fertility had dropped significantly in the recent past. The highest fertility is in Ireland (just above 2 children per woman) followed by France (just under 2). The lowest rates

are in Latvia, Hungary and Portugal, just above 1.3.

Families themselves are also undergoing dramatic changes. The number of marriages is decreasing while the number of divorces and births outside marriage is on the rise. There are now about four divorces per every ten marriages and more than one-third newborns are born out of wedlock. There is a great disparity among Member States as to the age at which young adults leave their parents home and start to live independently or begin their own families. The lack of job security and/or the perspective of unemployment can act as a deterrent here and delay family formation. The biggest differences among Member States are found in family patterns. In Romania and Lithuania for instance there are six marriages per year per 1000 inhabitants. In Slovenia, just three. In Belgium, there are three divorces per 1000 inhabitants every year, in Ireland and Italy, less than one. In Estonia, almost 60% of babies are born outside marriage (single women or non-married couples) in Greece, only 7%.



The EU has registered a modest increase in fertility rates

### Enabling immigrants to play a full role in society

Population growth in recent years has been mainly fuelled by migration. A study on the impact of migration since 1960 has shown that it has had a major influence on the size and composition of the European population. The populations of France and Germany would be each more than ten million smaller if there had been no migration; conversely, Portugal's would have been more than two million bigger.

The integration of immigrants across generations happens rather quickly.





Half of young Europeans would like to work in another EU country

© Image Globe

In most countries with a substantial proportion of second-generation immigrants, these perform much better than the newly arrived both in education and on the labour market, and almost as well as those of no foreign descent; this applies to descendants of citizens from other Member States and of immigrants from non-EU countries. Nevertheless, even after three generations – the time it takes usually for full integration – the descendants of migrants maintain some attachment to the countries of their ancestors, through their knowledge of foreign languages for example. The main challenge, according to the report, will be to further improve the conditions for their integration, to allow them to fulfil their ambitions and to give them the opportunity to contribute fully to their adoptive societies. Through improved education and employment levels, migrants and their descendants will be able to dampen the effects of the future decline in Europe's working-age population. To give an example, in France among those born outside the EU 43% of the women and 36% of the men aged 25 to 49 have a low level of education (ISCED 0-2, or lower secondary at most); among

those born in the EU from parents born outside it, the share goes down to 25 and 29% respectively; with only one parent born in the EU, to 21 and 18% - the same level as those who are not second generation migrants. In Belgium, this convergence at the second generation is much slower and children of migrants retain difficulties. Similar outcomes apply to the labour market. But migration is also changing. Large-scale migration and mixing of cultures are clearly not new phenomena in the history of the EU. Past flows have had a different impact on the size and structure of the population in most EU-27 Member States, and they have contributed to a more European outlook among its citizens. Immigrants often want to maintain a close attachment to their country of origin, but these links tend to weaken over time.

### Borderless Europeans

Alongside traditional long-term migration, new forms of mobility are taking shape. Europeans move more often than before and for shorter periods. Increasingly, this form of mobility is based on personal

preferences and life choices, and not only on economic opportunities. It involves mostly young people, well educated and at the higher end of the occupational scale. It goes without saying that the increased propensity of Europeans to move across borders can greatly benefit the EU by enabling a better matching of skills and language ability with job opportunities. The results of a recent Eurobarometer survey point to a growing number of mobile young people characterised by a common interest in looking beyond national borders. As they move abroad and return home, they create connections and disseminate knowledge and experiences. Most of this mobility is short-term and has little negative impact on any populations. It is precisely the type of mobility intended by the EU when it created its policies of free movement within its borders. The survey shows that one in five of the EU-27 respondents has either worked, or studied in another country, lived with a partner from another country or owns property abroad. One in ten of the respondents plan to move to another Member State in the next ten years.



## ESF in Sweden – Standing on one's own two feet

**W**hen Abshir Abukar started working in one of the largest garden centres in Sweden, he did not know much about plants or tools and he was even allergic to pollen. But he learned quickly and now has a varied role that involves managing stock, helping customers and working in a team. In fact, it has proved a great role for the 25-year-old.

Abshir was 17 when his family moved to Malmö in Sweden from Ethiopia in 2002. As a sociable and lively individual, he wanted to get involved in life in his new country, but found it difficult at first. "It was a real culture shock," he says. "Everything was different from what I had imagined and I felt like an outsider. A lot of things were confusing."

He went to a language school to learn Swedish and his father, a teacher who had moved to Sweden five years before the rest of the family, wanted him to continue with his studies. "But I didn't want to. I would have had to start the education system from the beginning," says Abshir. "It caused tension between us."

He wanted to be independent and stand on his own two feet, "But I didn't know how to get a job or anything like that," he says. He picked up some casual work cleaning and was a care assistant for handicapped children. "I did that for two and a half years part-time, but I wasn't earning enough money," he recalls.

Not having any stable work, he could not afford to move out and get a place of his own, and with 10 younger brothers and sisters, life back home was crowded. "I also got a girlfriend at this time and I wanted more space," he says.

### Learning valuable skills

A programme for young people, New City, helped him change his life. Run by a local community organisation, Drömmarnas Hus, and co-funded by the European Union through the European Social Fund, the project provides advice, training, cultural and self-development activities for people who are not fully integrated into society.

Through the programme, Abshir got training for work and life skills

and learned how to present himself. He also obtained a work experience placement at the garden centre, which led to the offer of a permanent position. "I really like my job," he says. "Especially helping customers and working as part of a team."

### A place of his own

He was able to get his own apartment and he has learnt to become more independent. "Many things are different now because of the course," he says. "I have my own place. I also got a driving licence and I have my own car." Outside work, he has an active social life. Sports and dancing are his passions; he plays football regularly and practices salsa up to three times a week.

Abshir is now satisfied with his life. "And I also get on much better with my parents. Even my father is happy." The security he has gained through getting a permanent job means Abshir can plan for the future. He and his girlfriend, Shanka, are planning to get married next year. "And then I want to start a family. A big one," he says.





# FREE MOVEMENT

## Workers from eight more EU countries to enjoy full freedom of movement

© Image Globe

Transitional arrangements limiting access to labour markets to workers from some Member States have come to an end

**M**ay 1st 2011 is an important date for the European Union. In 2004, the EU saw its biggest expansion ever: ten new countries joined, bringing the number of Member States from 15 to 25. Seven years later, the transitional arrangements put in place by the 15 original Member States (EU-15) in order to restrict the access of workers from eight of the new members (that is all except Malta and Cyprus) come to an end. This date marks a significant step forward: free movement of workers is one of the fundamental freedoms of EU membership and now it applies fully to workers from the Hungary, the Czech Republic, Slovakia, Slovenia, Poland, Latvia, Lithuania and Estonia.

The transitional arrangements have served their purpose. They were introduced to allow Member States to take on EU law on the free movement of workers gradually so as to avoid any labour market disturbances through a sudden inflow of jobseekers. Before the 2004 enlargement, many governments were concerned about a massive influx of workers from the EU-8 countries, fearing this would have a negative impact on jobs and push down wages in the EU-15.

As a consequence, the labour markets of EU-15 countries have opened to EU-8 workers at different moments. Some Member States (UK, Ireland and Sweden) opened their labour markets

### Next steps for EU-2: Bulgaria and Romania

Bulgaria and Romania are EU Member States since 1 January 2007. As for the 2004 Member States, the transitional arrangements apply for seven years: until 31 December 2013 at the very latest. As a matter of fact, the EU countries which impose restrictions on the right of Bulgarian and Romanian nationals to work there must lift these restrictions by 31 December 2011 unless they inform the Commission of serious disturbances in their labour markets.

immediately from 1 May 2004 and received large inflows of workers from EU-8 countries. The other Member States opened their labour markets gradually, mainly during 2006 and 2007. EU-8 workers have therefore already been free to work (without needing work permits) in most EU-15 Member States for several years now.

The Commission does not therefore expect a new massive wave of workers moving from EU-8 to EU-15 countries after 1 May, especially against the background of a limited labour demand (since most labour markets have not yet totally recovered from the economic and financial crisis). The end of the transitional arrangements will impact more on Germany and Austria, the two Member States that maintained substantial restrictions on free movement of workers during the entire seven year transitional period.

According to estimates from the Friedrich Ebert Foundation, the net flows of nationals from EU-8 countries (i.e. the Member States that joined in 2004 except Malta and Cyprus) to EU-15 Member States could be around 200,000 per year in 2011-2013, decreasing gradually to 150,000 per year in 2015 and less than 100,000 per year in 2020. It is much lower than the level reached in the years 2006-2007 (around 350,000 per year). If those forecasts are confirmed, the total stock of nationals from EU-8 countries living in EU-15 Member States will increase from the current 2.4 million to 3.3 million in 2015 and 3.9 million in 2020 and their share in the total population from currently 0.6% to 0.8% in 2015 and a bit less than 1% in 2020.

Before the 2004 enlargement, many governments were concerned about a massive influx of workers from the EU-8 countries, fearing this would have a negative impact on jobs and push down wages in the EU-15. However history and experience proved that most of these fears were unfounded.

On the contrary, the free movement of workers has had positive impact on the GDP of the host countries in the short and long-term. No serious negative effects on their labour markets have been observed. The fear of social dumping has not materialised either: east-west mobility flows observed during the period 2003-2007 for example, had hardly a noticeable impact on wages in EU-15 countries in the short-term and no long-term impact at all. The effect on unemployment has also been negligible.

Figures show that cross-border labour mobility is self-regulating and drops significantly in times of economic downturns. The 2008 economic crisis saw a decrease in the flows of workers from the EU-8 to the EU-15 countries (in particular to the UK and Ireland) simply because fewer jobs

are available. There is also evidence that migration flows can turn with the economy, like the East German workers who are now travelling eastwards to Poland in search of work, as Poland avoided recession and continued to see growth these past years. The bottom line is that people only go to where there are jobs. Various studies show that, in the future, migration is not expected to increase massively either, as the biggest part of estimated migration from EU-8 to EU-15 countries took place between 2004 and 2010.

The possibility to work in another Member State is a fundamental right and freedom, but it's also an important way to raise employment across the EU. If we are to reach the Union's 75% employment target by 2020, Europe has to take full advantage of this opportunity.

### **EURES: Latvians interested in working in Germany on the rise**

On 1 May Germany and Austria became the last two countries to lift their restrictions on workers from Eastern and Central European countries which joined the EU in 2004. The end of the transitional rules on labour mobility creates new opportunities for workers to find a job abroad and for employers to recruit without asking for a work permit.

One example of this can be found in Latvia, where the number of people contacting EURES Advisers about job opportunities in Germany has more than doubled in the first three months of 2011.

"There are a number of reasons for this increase. Germany opened the labour market for seasonal job vacancies as of 1 January 2011. We received several job vacancies from EURES Germany. Some of these vacancies are still open," she adds.

"Some Latvians who have found their own jobs in Germany also wanted more detailed information on living and working conditions, as well as social security and tax rates."

According to EURES data, the most popular sectors attracting workers included: agriculture (51.6 %); construction work (11.2 %); hotel and catering (9.3 %); manufacturing (7.9 %); and health and social care (6.9 %).

"Between January and March this year the average number of individual consultations per month for people interested in opportunities in Germany is 66. This compares to 30 in the same period of 2010," says Ivonna Deisone, EURES Manager in Riga, Latvia.

So far 197 people have received such careers advice. This represents 31.6% of the total number of consultations.





# New Commission action to create jobs for the young

© European Union

Youth@Work seeks to bring together young jobseekers and the world of small business

**Y**outh@Work is a new action to combat youth unemployment. It aims to do this through increasing demand for young people among business, especially small and medium size enterprises (SMEs), bringing about more contact between young people and SME employers, and encouraging young people to become entrepreneurs and start their own businesses. SMEs are a key employer in today's labour market, yet they are often not the first sector that young people look to when searching for work. Equally SMEs are not always keen on employing young people due to their lack of skills and experience which can result in them missing out on a large pool of potential talent.

Youth@Work will bring together SMEs and young jobseekers and provide information and support to encourage them to think differently. It aims to also inspire young people to create their own jobs by starting a business. The number of young entrepreneurs in Europe is currently low with only 2.5 % of self-employed people in the EU aged under 25 years old, yet a recent survey shows that young people are more interested in starting

their own businesses compared to older people. Youth@Work will try to tap into this enthusiasm and give young people the information and skills they need to make this a reality. A crucial factor in the action's success will be intermediaries who can bridge the gap between young people and SMEs, such as the European Employment Network EURES and the Public Employment Services which exist in each EU Member State to provide information and advice to jobseekers and employers. To reach these goals, practical sessions or workshops on topics such as networking, mentoring and recruitment will be organised at job fairs throughout the EU. Information, including examples of effective projects or useful tools, will also be produced and distributed. This new action supports the EU's Youth on the Move initiative which aims to enhance Europe's education systems and support young people's entry into the labour market. Youth on the Move is one of the flagship initiatives from Europe 2020, the EU's growth strategy for the coming decade, which aims to help the EU become 'a smart, sustainable and inclusive economy'.

## Youth employment in the EU

There are currently around five million unemployed young people in the EU. At the beginning of the economic crisis in early 2008 there were around four million 15 to 24 year-olds out of work, so the downturn has resulted in an extra one million young people being unable to find a job. This corresponds to around 20 % of the total number of young people in the labour market. Young people in all EU Member States have been affected by the rising unemployment rates from 2009 to 2010. The situation is particularly worrying in some countries, with unemployment among young people now exceeding 30 % in Lithuania and 40 % in Estonia, Latvia and Spain.

Data also shows that young people with low skills are being hit hardest by the crisis, with an almost 8 % rise recorded compared to the beginning of 2008. Conversely, high skilled youngsters are seeing the least impact. Young people who are not in employment, nor in any education or training, are also at risk if they are unable to gain working experience or skills to help them find employment during these difficult times.



© European Union

## ESF in Ireland – Fit for work

**S**heena Matthews is a tutor on a course training young people as gym instructors and sports coaches and preparing them for other activity-based careers. It is hard work, but 27-year-old Sheena is full of energy and enthusiasm as she talks about her job. “I really like teaching. It’s great to see the students transforming their lives by becoming more active,” she says.

The course she teaches, Spoir Teic, is a local training initiative provided by FAS (Ireland’s National Training and Employment Authority) and co-funded by the European Union through the European Social Fund. “The course gives students the means to get a job in a leisure centre and an international qualification as a sports coach or fitness instructor,” says Sheena. The programme can be tailored to suit the students’ preferences. “The training has a high success rate, she says. “About 90% get jobs in sports, leisure or activities.” If Sheena is an enthusiastic ambassador for the course, she has a good reason – a few years ago she was a student herself. The nine-month course “totally turned my life around”, she declares.

### A direction in life

“I left school when I was 14 or 15” she explains. “I had no idea what I wanted to do. I never had any direction or goals.” She took on different kinds of employment, including waitressing, cleaning, and working in a market. “I went from job to job,” she says, “bad job to bad job. And yet I was always a good worker. They wanted to promote me, but I knew I didn’t want to do that job for ever, so I would always leave.”

Then she became pregnant at 18. As a single mother, Sheena became reliant on welfare payments to support herself and her baby, Megan. It was hard personally as well as financially – she put on weight and suffered from post-natal depression. “About a year after Megan was born I decided to do something to change my situation. I didn’t want her to look at me as nothing,” says Sheena. “I wanted to set an example.”

### Precious advice

Exercising and professional guidance proved to be the big

turning point. “I joined a gym and I did a personal development course.” She lost weight and her confidence grew. “I remember going to an aerobics class and seeing the instructor. She looked great and she seemed so together. I said to myself ‘I want to do her job’.”

It was Sheena’s instructor who told her about the Spoir Teic course. Sheena enrolled and felt great benefits. After graduating, she worked in gyms and as a dance instructor, before getting a job at the South Tallaght leisure centre where the courses are based. She was initially working as a gym and dance teacher, but knew that she really wanted to be a tutor on the course. She began covering for other tutors. “I used to work 11 days in a row. I used to be so tired, but I really wanted to get a job as a tutor. I wasn’t going to give up.” Sheena’s experiences have taught her that she can change her life. “I’ve learnt how to set goals and go after them. My next step would be to go to medical school,” she says. “I know I can do it. Even if it takes a long time to do it, I’ll stick with it.”





© Image Globe

# Adapting to change - the EU approach to restructuring

**R**estructuring – company reorganisation, closures, downsizing, outsourcing, relocation, and so on – is widely considered a necessary part of economic life. It is, therefore, nothing new. What is new is that while in the past companies might have had to restructure in order to adapt to a specific event, like the introduction of a new technology or manufacturing process, today change no longer constitutes a response to a specific crisis. It has become permanent,

like the phenomena that underlie it – chief amongst them globalisation. What has not changed, by contrast, are the consequences for employees in the shape of job losses, collective lay-offs and changes in working conditions. In fact, restructuring can cause major problems for local communities. When, for example, a car maker decides to shut down a factory, thousands of workers can lose their jobs. When entire industries are restructured – such as coal mining – the impact on

the regions which rely on them for growth and jobs can be felt for years to come. The EU is acutely aware of the negative effects restructuring can have on society, businesses and the labour market. Consequently, it has developed a number of specific initiatives in to help Member States anticipate and manage change. It also provides support to those negatively affected. The articles that follow take a closer look at the different initiatives and the issues surrounding them.



© Image Globe

# Anticipating change

The European Commission's new report on restructuring seeks to foster a culture of proactive anticipation and management to help Member States deal with economic change and its consequences

**T**oday, all economic sectors face the permanent effects of economic change. They are hit by various shocks, which may be cyclical, structural or related to globalization, and have an impact on the organization of companies, as well as on the structure of the labour market. The European Commission has long been aware of the social implications of restructuring, and has made

several efforts to develop a proactive attitude amongst stakeholders in the anticipation, preparation and responsible management of change. It has also developed a set of policies and instruments to facilitate economic and social adaptation.

The main starting point is that economic change cannot be managed by preserving old practices.

It requires the development of common approaches and modern practices. This is the logic underlying the European Commission's new **Restructuring in Europe 2010 Report**. The report's objective is to help combat passive and resistance practices and to generalise a proactive culture of anticipating change. It concentrates on the most modern, innovative and dynamic



examples related to the anticipation, the preparation and the management of restructuring processes.

The report describes the actions developed by the Commission and details the reasons why further action is needed in this field. It covers multiple policy areas and a wide range of instruments, and demonstrates an effort of internal co-ordination that is all the more needed as restructuring is a complex and multifaceted phenomenon that cannot be efficiently dealt with otherwise.

The report starts by examining the main recent restructuring developments across Europe, identifying recent levels of restructuring and the numbers of jobs lost and created. It gives examples of initiatives undertaken at company level to preserve employment in the context of the economic crisis; it looks at Member States' responses to the crisis, including labour market reforms and the widespread use of short-time working in some countries, and it examines the role of industrial policy during the crisis, focusing in particular on the steel and automotive industries.

The EU also makes a range of funds available to Member States in order to support restructuring, and this plays an important role in helping to anticipate and manage its consequences. The report examines the role of State aid to Member

States, including the Commission's policy response to the economic crisis, the role of the European Social Fund (over 400,000 enterprises have benefited from its interventions and more than seven million have been supported by its funded actions) and the European Globalisation Adjustment Fund (a total of 29 applications were submitted to the Commission in 2009 with an amount requested per worker varying from slightly above €500 to over €15,700, with an average of €5,698), giving examples of where the funds have succeeded in helping manage restructuring and successfully adapt to change.

Within the EU restructuring actions are carried out in the framework of a body of legislation consisting of a number of relevant directives. These deal mainly with the information and consultation of workers on changes that are likely to affect them. Therefore, the report examines this framework and also looks at the implementation of EU law and the preparation of possible new initiatives in this area.

In order to reflect the changed and changing environment in which the Europe finds itself, the report examines the challenges that the EU is likely to face in the coming years. They include finding the necessary skills to allow the European economy to remain competitive in the global market, dealing with the health consequences of restructuring, coping with global

warming and climate change, including finding new and alternative sources of energy, and adapting industrial policy to ensure that the EU can compete with its global neighbours.

### **Anticipedia - all about economic restructuring in the EU**

Launched by the European Commission in 2010, Anticipedia is a collaborative website entirely devoted to industrial restructuring. It is open to anybody interested in this topic, whether professionally or out of curiosity, and relies on its users for most of the information it contains. It consists of a documents library, a discussion forum, and a "wiki" where users can collaborate to draft joint documents. Users can read, rate, comment and tag documents. They can also upload documents for other users to see. All the content is free for anybody to see, but users need to log in to participate actively. The purpose of Anticipedia is to provide a platform where interested parties can find documentation about restructuring, discuss problems related to restructuring and work together on projects linked to restructuring. "Restructuring" in this context means changes in company structures that are accompanied by job losses, such as collective lay-offs, site closures, or bankruptcies. Such processes can be made less painful by policy measures based on adequate foresight. This foresight is generally referred to as "anticipation".

Anticipedia: [https://ec.europa.eu/employment\\_social/anticipedia/](https://ec.europa.eu/employment_social/anticipedia/)





# Tackling the skills gap

The European Commission will develop new strategies and incentives to help workers adapt their skills to changing labour markets

**E**ven with today's high unemployment, job vacancies persist on the EU labour market. This is partly due to the changing job market which is calling for new skills which many people do not have, and the fact that those who have the skills find it difficult to gain access to the labour market — for instance because their skills are not recognised.

Within the Europe 2020 Strategy's flagship New Skills and Jobs strengthens the need to reduce this gap and help workers adapt to changing labour markets through comprehensive skills agenda. It calls for the need for a skilled workforce, for massive investments in improving skills and competencies to tap into the talent which is there already or potentially. This isn't just a quick-fix for the short-term, but is also a longer-term challenge, because currently 80 million citizens only have basic skills – i.e. do not meet the basic requirements for entry into the labour market, and by 2020,

55% of jobs will call for medium to high skills.

Where do we start? We need to really understand those who are not participating in education and training and understand why this is so. Why are the incentives for individuals to participate not working? Why are incentives for companies to train workers so few? Why is support and guidance to encourage workers to engage in training insufficient? Equally we must seek to comprehend why recognition of non-formal learning is virtually non-existent. Only then can we develop strategies and incentives to support people to participate in the right education and training at the right time of their lives that will help them cope with changes and, of course, develop effective means of funding, given current budgetary constraints.

Under the agenda New Skills and Jobs, the Commission is preparing EU-level proposals on these issues

in conjunction with the Member States. There is a clear need for better labour market and skills information. A few examples in the pipeline include the development of an EU skills Panorama: A one-stop portal to access all the available information to support professional guidance towards sectors, occupations, skills where there is a growing demand from the labour market and to flag up where education and training providers need to update their curricula. To ensure that the education and training systems provide the right mix of skills the Commission is exploring a new benchmark on education for employability. Through the development of surveys the needs of employers and workers will be better understood. Finally, in order to facilitate the recognition of non formal learning, the Commission is preparing draft Council Recommendation on promotion and validation of non-formal and informal learning.

What is clear is that working in co-operation/partnership to ensure effective investment in skills development that supports positive change management is paramount to achieving a smart, sustainable and inclusive Europe as set out in the Europe 2020 Strategy.

More information is available under: <http://ec.europa.eu/social/newskillsfornewjobs>





## The EU restructuring forum brings stakeholders together to analyse different aspects of change

**L**aunched in 2005 as a platform for the exchange of ideas on company restructuring and the benefits of proactive and positive management of the change processes, restructuring forums involve both public and private representatives. They play an important role in helping unions, businesses and workers to confront the current challenges. This is reflected in the choice of topics addressed in the meetings.

### **The Impact of Financial Investors on enterprises - July 2010**

The role of unconventional financial actors, such as private equity investors, hedge funds and sovereign wealth funds, in initiating industrial restructuring has considerably grown. Although some of these actors have been around for a long time, in recent years they have reached a size and importance which allows them to significantly influence industrial restructuring. Yet the policy consequences of this development remain insufficiently explored. The Forum also looked at the potential of employee financial participation.

Indeed, employees are an often overlooked potential source of capital, providing both a stable ownership structure and an alternative to outside investors, whether traditional or unconventional. In addition, employee financial participation has obviously a significant impact on issues such as employment numbers and conditions.

### **Anticipating and managing restructuring in a socially responsible way - New partnerships to preserve employment - October 2010**

The main objective was to debate with the social partners, the Member States and the EU institutions the way in which the EU, Member States, social partners, companies and workers should face the challenge of corporate restructuring in the context of an economy in deep and quick transformation and with a view to ensure that restructuring takes place in a socially responsible way and benefits to employment.

A series of workshops presents the main findings of each of the twenty-seven national seminars organized by the

Commission in the last year-and-a-half and which analysed and debated the measures and instruments used for anticipating and managing restructuring in the 27 EU Member States.

### **Investing in well being at work - Addressing psychosocial risks in times of change - November 2010**

Restructuring can create opportunities but it also puts mental strain on those who are affected, the “victims”, but also the “survivors”. Restructuring at the workplace can have a profound impact on health. Understandably, this concern is often overshadowed by immediate material concerns. But new research evidence shows that neglecting the health side of restructuring comes at a high price for workers, the organisation and for society. In many European countries, changes in the world of work have come to be discussed as a risk for the psychosocial health of workers. In the European Union, we have instruments to protect workers’ health and safety. The Framework Directive for Occupational Health and Safety ensures a preventive approach based on risk assessment that also involves psychosocial factors. Building on this, the social partners have agreed and implemented a European framework agreement that provides an action-oriented framework on identifying, preventing, and managing work-related stress.

# EGGF

## The European Globalisation Adjustment Fund adjusts itself to change

EGF activity intensified as a consequence of the recession

**W**hen the European Globalisation Adjustment Fund (EGF) was established in 2006 its main objective was to give the EU an instrument to show solidarity with workers who had lost their workplace as a consequence of changes in world trade patterns, supporting redundant workers by co-funding active labour market policy measures.

But in 2009 the severe economic slowdown brought with it new demands on the Fund, and a determination by the European Commission to gear the EGF more specifically towards responding to the economic crisis. This resulted in several changes in the Fund's rules, some of a permanent nature and others time limited and directly related to the crisis.

The duration of the EGF support was permanently extended to 24 months following the date of application, to ensure that the affected workers can be assisted with the most appropriate and effective measures for their reintegration into new jobs. At the same time the eligibility threshold for EGF applications was lowered from 1000 to 500 dismissed workers, enabling a greater number of cases to become eligible and therefore also a greater number of redundant workers to be supported in their efforts to return into employment. In addition to these permanent changes, the scope of the EGF was temporarily widened to cover not only redundancies resulting from globalisation measured in terms of international trade, but also those deriving from the financial and economic crisis. And the financial contribution from

the EGF was increased to 65% of total costs, to take into account the emergency nature of the Fund's contribution to supporting redundant workers and to encourage Member States, already under budgetary pressure, to apply more readily for EGF funding. Since the temporary derogation entered into force, the number of workers supported by the EGF increased by 60 % and four out of five workers targeted for EGF support had lost their jobs for reasons directly related to the crisis. This temporary derogation expires on 30 December 2011.

In 2009 - in the eight months following the entry into force of the new rules - the number of applications received exceeded the total of applications received in the previous 28 months. Between 1 January 2007 and 30 April 2009 (i.e. before the crisis derogation entered into effect) the Commission received 15 applications, targeting 18 430 workers for EGF support, while between 1 May 2009 and the end of the same year the Commission received 26 applications, targeting 25 950 workers for EGF support. In 2010, 31 applications were received, targeting 29 507 workers for EGF support

The European Globalisation Fund has clearly played a very practical, visible and meaningful role as a crisis intervention instrument, but its mission in this respect is not yet finished. The Commission is aware of the difficulties Member States can encounter - in this particularly difficult economic context - to provide tailor-made support to large numbers of workers simultaneously made redundant as a result of the crisis. The provision of swift and effective help will avert potentially disastrous consequences, in both human and economic terms. Therefore the Commission will propose to extend the temporary 'crisis derogation' until the end of 2013, i.e. until the time when the current EGF Regulation must in any case be reviewed.



# SOCIAL INCLUSION

## Social services of general interest and EU rules: help is on the way

A new Commission guide seeks to provide guidance to those in charge of organizing and financing SSGI's on how to comply with EU procurement and State aid rules

**A** new guide published by the European Commission on 28 January will help public authorities to understand and apply European Union (EU) rules to social services of general interest. The "Guide to the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest and in particular to social services of general interest" attempts to clarify the relevant European rules and how to comply with them.

Experience has shown that it is sometimes difficult for public

authorities and service providers in the social field to understand and apply the relevant EU rules to the social services they provide. This guide is the latest in a series of tools put in place by the Commission in order to help with this prickly subject. It builds on existing material, such as the "Frequently asked Questions" documents based on questions received through the online Interactive Information Service set up in 2007.

Using a question and answer format, the guide addresses a variety of topic, from the definition of social services of general economic interest, or SGEI's,

### What is a social service of general interest?

No binding legal text defines social services of general interest (SSGI). Nevertheless, we can consider that SSGI are activities supplied by the public authorities or entrusted by them to private entities, to which missions of general interest are entrusted for the purpose of social protection, social and territorial cohesion, national solidarity and implementation of fundamental rights. Therefore, according to the Commission, SSGI fall into two major groups, beyond health services themselves.

These are:

- Statutory and complementary social security schemes organized in various forms (mutual or occupational organizations) covering the main risks in life such as those linked to health, ageing, occupational accidents, unemployment, retirement, disability;
- Other essential services provided directly to persons. These services, which play a preventive and social cohesion role, consist of customized assistance to facilitate social inclusion and safeguard fundamental rights.







## ESF in Greece – Georgia’s story

**A**s a result of mental illness, Georgia Chrisikopoulou, 36, has spent years in and out of hospital in her native Corfu, Greece. But since 2006, a far-sighted rehabilitation scheme has helped her move out of residential care into her own flat, and to start work. It is run by the New Horizons Cooperative, co-funded by the European Union through the European Social Fund (ESF).

Georgia is part of a team of gardeners tending the surrounding flower beds and lawns, all dressed in grey overalls and caps. Her story is one of hardship and courage. At 12 she was diagnosed with psychiatric problems. By 17, she was pregnant, and attempted suicide. Despite her parents’ opposition, she left school, got married, and went to live with her husband’s parents. But the marriage was not a happy one. The couple started to drink heavily and take drugs, and he became violent.

In 2002, she was admitted to a psychiatric hospital, but her husband came to take her out. In 2005, Georgia finally realised that she could not get better on her own: she returned to hospital, and a year

later transferred to the rehabilitation programme. For six months she lived in a hostel at Thinalion. And in October 2006 she was well enough to move to a protected flat with another patient. She also started to work for the cooperative’s gardening and environmental team.

“I love everything about the job. It has changed my life completely,” she says. “I have always enjoyed gardening – I like being close to nature.” A team of professionals monitors her progress, and she can call for round-the-clock help from her own doctor.

### Cooperative approach

New Horizons has 70 employees, including 45 patients who work alongside the other staff. Set up in 2005, the cooperative has grown from ten people to 183 voting members, 98 of them patients. The governing board always includes at least two former inmates.

The environmental team has a contract with the local authority. Dmitris Vlachos, the team supervisor, is proud of the fact that it offers a professional and competitive service.

“Our customers are very happy with the work,” he confirms. “We teach our staff to do a good job.” All the workers have training – to handle the power tools, for instance – and wear full safety protection. Georgia starts every morning at 8 am, sometimes travelling by minibus with her workmates to more distant locations. She earns € 500 a month for four or five mornings a week, plus the support she gets through the health services, while the flat she shares is rent-free.

“We don’t tell clients that some of our workers are patients,” explains Thanasis Papavlasopoulos, a social economy expert who helped to set up the cooperative. “We don’t want any of them stigmatised, and you would find it difficult to tell who the people with problems are. Ten of them are already completely autonomous. You can see the difference the ESF project has made in four years,” he adds. “In 1997, there were 350 inmates in the hospital from all over the island. Now there are only 15 beds, for absolute emergencies. It’s real progress. Reintegration is the most important thing, and our main aim is to give people an opportunity to work and enable them to be independent.”

## EU consultation on pensions – the results

### Almost 1700 replies largely support Commission's approach

Last summer, as we reported in issue 25 of Social Agenda, the European Commission published a Green Paper on Pensions. Its aim was to foster an EU-wide debate on the key challenges concerning pensions and on how the EU can best support the efforts of Member States to ensure adequate, sustainable and safe pensions for its citizens, both now and in the future. The timeliness and interest of the initiative were confirmed by the success of the consultation: the Commission received almost 1,700 responses from across the EU, including around 350 from Member State governments, national Parliaments, business and trade union organisations, civil society and representatives of the pension industry.

The initial results of the consultation were presented by EU Commissioner for Employment, Social Affairs and Inclusion, László Andor at a meeting of European Employment and Social affairs ministers in Brussels. "The results of this wide public debate are helping to shape our work on pensions," he said. "The consultation Paper was clearly not just a statement - it has been echoed in national

discussions, helping to encourage and facilitate change."

The general comments provided by the respondents were largely positive and welcomed the Green Paper's multi-dimensional approach as well as the commitment of the European Union to support Member States.

But while all EU Member States face major challenges in the pension field, notably due to population ageing, respondents generally felt that there is no 'one-size-fits-all' solution for pension policies and pension scheme design, given the heterogeneity of the EU economies and diversity in this policy field in the EU. At the same time, because of the different circumstances Member States find themselves in, the sharing of best practices, peer reviews, collection of statistics and the identification of indicators at the EU level are widely supported.

Some view favourably a deepening of policy coordination and implementation at EU level and the creation of a new platform, a European Pension Platform, which would monitor all aspects of pension policy in an integrated manner, in line with the approach adopted by the Commis-

sion in the Green Paper. However, a more common view is that the competence on pension policy should remain at the Member State level and that existing coordination frameworks, notably the Open Method of Coordination, but also the Pension Forum and more broadly the Stability and Growth Pact and the Europe 2020 strategy, are satisfactory at the EU level. Nevertheless, a large proportion of respondents felt that there was room for improvement within the existing coordination structures.

The main messages that emerged from the public consultation reflect the Commission's ongoing work, in particular the main lines of the Annual Growth Survey, which calls for a higher retirement age, a reduction in early retirement schemes and the development of complementary private savings.

The results also showed that the Green Paper's approach and contribution to the pension debate was broadly welcomed, in particular its holistic approach which considers both economic and social aspects of pension reform.

The Commission now plans to present a follow-up white paper in the third quarter of this year to set out proposals for EU initiatives on pensions to support the Member States.

# Greening the global economy

© European Union

## EU engages in international dialogue on the employment dimension of the global transition towards a greener economy

Climate change and the need for our economies to become greener have become very high on the policy agenda, both at national, EU and international level. In its Europe 2020 strategy, the European Commission proposes that EU policies be geared towards the three overarching objectives of smart, sustainable and inclusive growth. This includes promoting a competitive, low-carbon, resource-efficient and greener economy.

The transition to such an economy has significant implications in terms of employment. On the one hand, jobs will be created in sectors directly related to the environment and the new economic model, some requiring specific skills and competences. On the other hand, a more fundamental shift towards a greener economy could affect virtually all types of jobs, making environmental considerations part of the daily work - much like the IT revolution that has created millions of jobs in the IT sector and at the same time has changed the way most

of us work. Finally, jobs will be also lost, which will require adequately management of transition and change.

There is thus a great interest in gathering information and analysing the employment effects of the transition to a greener economy. Nations and international organisations are increasingly aware of the situation and are acting to address climate change and to adapt their economies to a challenge that affects both our environment and our economies. In this context, international dialogue and cooperation play a central role. The EU has proven its willingness to strengthen its international engagement to address the climate change issue, including in the field of employment and social policies. The European Commission has engaged in an active dialogue with its main global partners, both on a bilateral basis as well as in the framework of international fora such as the OECD, the ILO and the G20.

On a bilateral basis, the Commission recently launched talks with

non-EU countries such as China, the USA and Canada to discuss and share policy approaches on ways to deal with the labour market aspects of the transition to a greener economy. These working meetings brought together representatives of governments, trade unions, industry, and non-governmental organisations to share information about experiences, challenges, and best practices for preparing workers for an upcoming transition and ensure they are well equipped to be engaged in the green economy. The discussions addressed both the employment and skills aspects of the transition to a green economy as well as the social dimension. All these countries have actively adopted climate change mitigation policies and measures. The talks allow to highlight themes common to all parties. First, the necessity for accurate labour market information and vigilant planning to minimise bottlenecks between industry needs and availability of skilled workforce. Partnerships between national and local stakeholders will also be important to help jumpstart the green economy by identifying employment opportunities, implementing training policies, and promoting sustainable green economy investments. Finally it is important to promote green career pathway opportunities for all workers to ensure that potential labour force groups are not underutilised.





# Capitalising on past and present European experience to anticipate and manage restructuring

© Getty Images

For good practice to be successfully exported to other countries, certain basic requirements need to be fulfilled

**R**estructuring is company-driven, ongoing and embedded into change process. It takes place at different levels and involves a larger number of actors than those belonging to the restructuring company. We also know that it mustn't be confused with mass dismissals and their consequences what entails to develop the anticipation and management of restructuring in four fields where it remains very weak: SMEs, agency workers, health and evaluation. In other words, it is now possible to capitalise upon the European experience and to formalise a European methodology for anticipation and managing change and restructuring.

It is often argued that the various national regulation and practices are too different to allow comparisons let alone cross border learning. Without underestimating the persistence of highly visible national traits in the field of labour law and in the prevailing hiring and firing conditions in each member state, it may be shown that labour market policies and the main adjustment drivers on the labour

market in Europe define only three kinds of adjustment regime in the case of restructuring: "administered regimes", "market-led regimes" and "negotiated regimes". These workforce adjustment regimes and the tools, settings and mechanisms they are made of, are under the pressure of a new challenge: building an arrangement combining security and adaptation, and ensuring the progression of the workforce towards a knowledge-based society. They then evolve since actors promote innovations on the ground and regulations change.

In that context every successful experience is valuable but can it be transferred out of the country in which it has taken place? Two things must be taken into account. First each "good practice" and the device mechanism or setting it refers to, is made of *complementary elements* which interact. Second, *functional equivalents* exist, that is: different elements of different devices may yield more or less the same results in different contexts. It is then necessary to identify functions that have to be fulfilled to anticipate and manage restructuring

and change before trying to translate good practices from the country in which it has been set up to another one.

Regarding the functions that have to be fulfilled, the hypotheses we are working on in the "Responsibility in Restructuring" project are the following. Three core function are needed to deal with restructuring: monitoring company restructuring processes; organising a fair and consistent transition for all; organizing local/regional redeployment in line with local/regional strategies, and three core functions are needed to deal with change: developing a multi-actor anticipative forward-looking approach to economic trends and tendencies; developing workers' employability, and developing a renewed industrial policy for sustainable development and innovation.

Contribution by Frédéric Bruggeman, Director, "Amnyos Mutations Économiques", Technical coordinator of the project for the European Vocational Training association



## INTERVIEW

### Pervenche Berès, MEP, Chair of the European Parliament Employment and Social Affairs Committee

**The latest European Commission Demography Report confirms recent trends of longer life expectancy coupled with a shrinking workforce. How should the EU adjust its policies to address this situation?**

These findings are not a surprise, but the current crisis context and the austerity policies make the challenge all the more important. The demographic evolution is a challenge for the sustainability of our pension systems and for the elderly care. For me, the first answer is to return to full employment. It is also the priority we identified in our report on the Commission's green paper on pensions.

**The most visible development in the population is the rise of the oldest-old, i.e. those aged 80 and over. What are the implications for our societies?**

Access to adequate health and care services and dignified ageing are fundamental for the European model of solidarity. We have to devise sustainable financing systems for long-term care provision.

On Sept 9, 2010 the European Parliament adopted a resolution on long-term care for older people. It calls on Member States to support and facilitate the training and reinsertion of persons, including informal carers, having long-term care responsibilities for older people. Member States should tackle poor payment of care work, shortage of personnel or inadequate training, which put a

strain on care provision. The resolution asks the Commission to collect data and to draw up in each Member State a summary of care infrastructure for older people, be it institutional, community and home care and to estimate the needs until 2020.

The increasing demand for carers, who are often in the remit of domestic work, increases the importance of the current negotiations on ILO convention on domestic work and the EP fully supports the ILO and social partners.

The European year 2012 will be devoted to active ageing. In the negotiations with Council and the Commission, the EP has argued for aspects of solidarity between generations and the fight against age discrimination to be included in this topic.

**Data show a modest increase in fertility, stemming from unusual family patterns: countries with fewer marriages, more cohabitation, more divorces and an older average age of women at childbirth tend to have higher fertility rates. What conclusions can be drawn?**

The two chief causes of demographic change – the falling birth rate and the ageing of the population – are the result of progress: increased life expectancy is the result of progress in science, hygiene and living standards and women's control over their reproductive lives is the result of their emancipation and goes hand-in-hand with higher levels of education for girls and women's participation in active life

and public responsibilities; both should be regarded as an irreversible benefit.

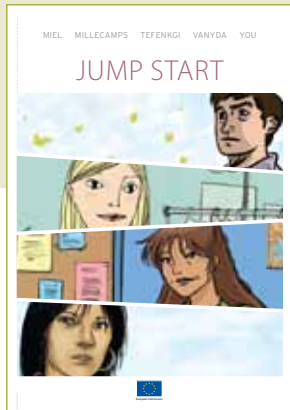
But the average birth rate in the EU is not only a reflection of women's choice or of Europeans' aspirations for creating a family. It is also linked to the difficulty of reconciling work with family life (lack of child-care infrastructures, social and economic support for families and jobs for women) and an uncertainty regarding the future (late access to employment for young people and job insecurity, expensive housing).

**The report shows that Europe's population growth is fuelled mainly by immigration. What should the EU do to enable immigrants to play a full part in our societies and labour markets?**

The path to integration, understood as open, welcoming European societies, considering migration as an economic and cultural benefit is still long.

I am particularly worried about the migration package currently discussed in Council and the EP, as it opens the way for a fragmentation of the labour market. All third-country nationals legally working in Europe should enjoy voting rights in local elections, equal treatment with EU citizens in both work and the wider socioeconomic context. This equality is of mutual interest both for fairness and social justice and in order to recognise the contribution migrants make to the EU through their work and the taxes they pay. With the current proposals on the table, their segmented approach, exceptions and derogations, this is not the case.

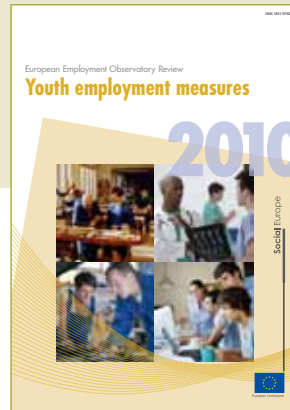
# RECENT PUBLICATIONS



## Jump Start

Four lives, four journeys. In this new comic book Jump start, find out how Alex, Nataline, Ivana and Dimitra managed to change the course of their lives. Discover how these four Europeans took on a new challenge, thanks to the support they received from the European Social Fund. Following the success of the comic book "Take Two", published in 2010 in 23 languages, the European Commission now brings you the second edition in the series. Inspired by true stories, these adventures are illustrated by four talented comic book artists — Maud Millecamps, Alexandre Tefenkgi, Vanyda and You — and are based on a text by Rudi Miel. This comic strip is available in all EU official languages.

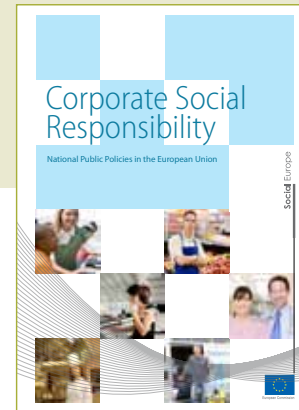
Catalogue No.: KE-32-10-446-EN-C



## European Employment Observatory - Youth employment measures, 2010

Young people have been hit hard by the economic downturn with the EU youth unemployment rate reaching 20%. This review summarises messages from 33 national articles on this theme, linking them to policy developments, studies and data. It details the European and national contexts before examining measures to promote youth employment. These cover education, training, labour market and benefit policies, as well as measures to address problematic aspects and labour market actors' roles. Following this, final conclusions are drawn. This publication is available in printed format in English, French and German.

Catalogue No.: KE-AZ-10-002-EN-C



## Corporate Social Responsibility - National Public Policies in the European Union

Corporate Social Responsibility (CSR) is a well-established concept within the EU agenda, and although complex, influences a number of policy areas. This compendium of national public CSR policies in the EU identifies eight topics which reflect current CSR priorities and trends. Sections are included on socially responsible supply chain management, reporting and disclosure, and further chapters explore the potential of CSR in areas such as climate change, small and medium-sized enterprises, socially responsible investment, education and public procurement. This document provides a timely update on main Member State CSR priorities and will inform the Commission's future work. This publication is available in printed format in English, French and German.

Catalogue No.: KE-31-11-095-EN-C

## Useful websites

The website of Commissioner Andor: [http://ec.europa.eu/commission\\_2010-2014/andor/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/andor/index_en.htm)

The home page of the Commission's Directorate-General for Employment, Social Affairs and Inclusion: <http://ec.europa.eu/social/>

The website of the European Social Fund: <http://ec.europa.eu/esf>



Publications Office

To order these publications, please contact:  
European Commission  
Employment, Social Affairs and Inclusion DG  
InfoCentre  
B-1049 Brussels  
Fax: (32-2) 296 23 93  
<http://ec.europa.eu/social/contact>

To subscribe to the 'Social Agenda' magazine or to other publications of DG Employment, Social Affairs and Inclusion, please fill in the registration form available at: <http://ec.europa.eu/social/main.jsp?catId=740&langId=en>