



Mutual Learning Support Services Contract

Overall Theme for 2009:

Employment Policies' Response to the Crisis: Ensuring Rapid Re-Integration into the Labour Market through Tailor-Made Training and Better Matching

DG Employment, Social Affairs and Equal Opportunities

Synthesis report submitted by GHK

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1 EXECUTIVE SUMMARY

Over the past 18 months, global financial markets and economies have faced unprecedented challenges, which already have, and will continue to show significant repercussions in the labour market. Although the picture varies across the Member States, the crisis has already had significant consequences for EU labour markets, posing new challenges for policy makers at the precise time when the EU is approaching its Lisbon target deadline of 2010, and new priorities and strategies for the coming decade are being considered. EU autumn 2009 projections anticipate slight improvements in economic performance over the coming year. The impact of such improvements on the labour market are, however, likely to be delayed at least until 2011. As GDP growth turned negative in many Member States and industrial output slumped during 2009, the EU unemployment rate has increased by two percentage points to 9%. European Commission forecasts show that the unemployment rate is likely to increase further to over 12% in 2010. While all EU countries have seen an increase in unemployment, the year-on-year rise has been particularly significant in the Baltic States, Spain and Ireland. Among the groups currently most affected are men working in traditional manufacturing sectors, young people and individuals on precarious contracts.

In order to counteract the impact of the crisis, economic stimulus measures have been taken at EU and Member State level, which according to OECD estimates have succeeded in limiting the impact of the crisis on the labour market. At the same time, strong labour market policy measures are required to supplement these efforts and emphasis must be placed on not losing sight of the longer term goals of the EES. The development and enhancement of such measures to deal with the impact of the crisis in the Member States has focussed on four approaches: creating access to employment; improving labour market matching maintaining employment and managing transitions.

Peer Review activities throughout 2009 largely focussed on the second and third of these priority areas¹. At the same time, the Thematic Review Seminars held in May and November 2009 showed that, as the year progressed, many Member States placed increasing emphasis on maintaining employment and managing transitions. This is particularly reflected in the extension and increasing development of short-time working measures, which can now be found in at least 17 of the 27 Member States. All topics discussed were in line with the overarching theme and work programme for the Mutual Learning Programme in 2009 was “Employment policies’ response to the crisis: Ensuring rapid (re-)integration into the labour market through tailor-made training and better matching”.

As young people were among the groups most significantly affected by the worsening labour market situation, it is unsurprising that four out of the five PR meetings held in 2009 dealt with on their integration into the labour market. Although the policies highlighted in the Spanish and Luxembourg PRs were broader (focussing respectively on the development of the VET system to improve the matching of supply and demand and on tailor made training measures), young people were clearly among the main target groups of these measures. The Slovenian and Portuguese PR meetings looked at measures aimed at integrating young people facing multiple disadvantage and young graduates respectively. Improving labour market matching was also at the heart of the PR held in Estonia, which focussed on facilitating access for highly skilled third country migrants to the labour market.

The current review and planning for the future of the European Employment Strategy post-2010 takes place at a difficult time and different scenarios for the development of the EES based on a variety of possible economic scenarios were outlined at the December 2009 Thematic Review seminar. From early discussions, it appears likely that the future

¹ It is important to remember that many of the PR activities were planned prior to the labour market impact of the crisis becoming fully visible.

development of the EES will be based on 'evolution rather than revolution' with flexicurity measures and a strong focus on training and lifelong learning at the heart of the strategy.

2 OVERVIEW OF THE MLP FOR 2009

2.1 Introduction

The purpose of this Thematic Synthesis Report is to summarise the main activities from the Mutual Learning Programme (MLP) during 2009, and to provide an overall analysis of the results and policy messages that have emerged from these activities. The document also provides a helpful signpost to other, more detailed documents available on the MLP website: <http://mutual-learning-employment.net>

The Mutual Learning Programme is an initiative led by DG Employment, Social Affairs and Equal Opportunities (DG EMPL) aimed at promoting the exchange of information and good practice between Member States, as well as the wider dissemination of the European Employment Strategy (EES). The main annual theme for the Mutual Learning Programme is developed based on the [EU Presidencies](#) and the Commission priorities for the coming year and is approved by the [Employment Committee](#) (EMCO).

The overall theme and work programme for 2009 were “Employment policies' response to the crisis: Ensuring rapid (re-)integration into the labour market through tailor-made training and better matching.

The main activities that have underpinned the overall theme during 2009 are as follows:

Spring 2009

- [“Tailor-made training programmes”](#), 23-24 April, Luxembourg (Ettelbruck), Peer Review
- [“Labour market policies in response to the impact of the economic crisis”](#), 19 May, Belgium (Brussels), Thematic Review Seminar
- [“Towards new vocational training adapted to the competences and needs of the labour market”](#), 25-26 May Spain (Barcelona), Peer Review
- [“Renewed procedures for employing migrant workers with the emphasis on favouring the highly qualified”](#), 11-12 June Estonia (Tallinn), Peer Review

Autumn 2009

- [“Project Learning for Young Adults: A social integration programme helping young people back into work and education”](#), 2-3 November, Slovenia (Radovljica), Peer Review
- [“Professional Traineeships for Young Adults”](#), 19-20 November, Portugal (Lisbon), Peer Review
- [“The European Employment Strategy after 2010: the challenges and the lessons from best practices in Member States”](#), 23 November, Belgium (Brussels), Thematic Review Seminar

3 OVERVIEW OF THE ACTIVITIES IN 2009

This section only provides short summaries of activities carried out in 2009. More detailed information on the topics discussed in the Thematic Review seminars and the different host country models presented and peer country experiences can be accessed through the [MLP's website](#).

3.1 [Peer Review, 23-24 April 2009: Tailor Made Training for the Unemployed](#)

This Peer Review (PR) was hosted by the Luxembourg Ministry of Labour and Employment. Nine peer countries were represented at the event (Belgium², Bulgaria, Cyprus, Czech Republic, Estonia, France, Greece, Spain and Norway), as well as the European Commission. Key elements of a successful tailor-made training measure were illustrated through various presentations and a study visit to the Goodyear SA tyre plant. Discussions among the participants focused on identifying success factors and the potential for transferability of the measures presented, with particular reference to the current context of the economic crisis.

In terms of outcomes and impact, the validation and recognition of the training was felt to be essential in order to ensure it is visible to and valued by employers. Monitoring and evaluation were also identified as key in order to ensure the cost-effectiveness of the programmes and to show that they are achieving the desired impact.

Some of the countries represented at the PR had also developed tailor-made training programmes for the unemployed to respond to specific needs of the labour market. However, only a few had programmes directly tailored for employers. Delegates discussed the potential for **transferability** of the examples presented by the host country and identified a number of barriers or factors that would need to be taken into account. It was suggested that such small-scale programmes would not be appropriate for larger countries and would work better at regional level. Regulations concerning public procurement were also felt to be an obstacle, due to the need to carry out an open call for all any public training action. Furthermore, many countries felt that they did not have the level of partnership between the parties required. For instance, the good relationship and communication between the PES and employers was regarded to be an important success factor, whereas in a number of countries it was felt that businesses were reluctant to come forward and cooperate with the labour market institutions. General education, rather than training in specific skills, was felt to be a priority, as this ensures the transferability of the skills acquired.

Nevertheless, it was agreed that there is scope for tailor-made training, combined with part-time employment, for those under threat of redundancy and it has also been used successfully with hard-to-reach individuals. Furthermore, the group concluded that tailor-made training programmes can be relevant and produce satisfactory results during times of economic downturn under specific conditions identified in the detailed discussions.

3.2 [Thematic Review Seminar, 19 May 2009: Labour market policies in response to the impact of the economic crisis](#)

The Thematic Review Seminar (TRS) held on the 19th May 2009 focussed on the labour market responses to the economic crisis adopted at EU and Member State level.

Four key themes were addressed during the seminar. The first of these was the **economic crisis and its impact** in the EU as a whole and in Member States. The crisis has affected the different EU Member States to varying degrees and at different times. As a consequence of the recession in many European countries, unemployment has risen significantly and GDP growth is set to decline. These negative economic trends have

² On this occasion, Belgium was only represented by an independent expert.

significantly increased restructuring activity, with resulting job losses. The situation is particularly hard for certain population groups. The hardest hit have been young men with low educational qualifications and those on temporary contracts in low skilled jobs. Among the other most affected groups were disabled workers, low skilled workers generally, young and older people. The male workforce has also been particularly affected, as traditional manufacturing sectors have been hard hit.

The **EU approach to the crisis** was the second key theme addressed at the Seminar. Agreed in December 2008, the *European Economic Recovery Plan* stressed the need for close cooperation at EU level and between the Member States and in the long-term, sought to foster smart investment for higher growth and sustainable prosperity. This was followed by the *New Skills for New Jobs* initiative, which aims to strengthen the identification of current and future skills needs in the labour market, in order to ensure the provision of appropriate training and competence development to meet this demand. The EU also plays an important role in providing funding to develop measures and actions to overcome the crisis, for example through the European Social Fund (ESF) and the European Globalisation Fund (EGAF).

It is recognised that a flexicurity approach should be at the heart of the European measures to tackle the crisis, although it is clear that some of the changes which may be necessary in relation to the flexicurity framework take a longer time to achieve (for example changes regarding employment protection legislation). Working time flexibility, in particular short term working, is one such measure that has been introduced to maintain employment. It was emphasised that such measures should be seen as an opportunity to enhance human resource development through training, without the usual opportunity costs.

Responses to the economic crisis have been introduced alongside the long-term objectives identified in the Lisbon Strategy. It is essential to keep sight of these objectives when developing national policies and short-term measures to combat the economic crisis. The Lisbon Strategy will end in 2010 and the challenges and timeframes to achieve its goals need to be revised.

The third topic of discussion during the seminar concerned **Member State policies** to address the crisis. Again, the role of the flexicurity approach in managing the impact of the crisis was highlighted. Even during recession, jobs are still being created and a number of successful labour market approaches from across the Member States were described, including strengthening 'protected mobility', or facilitating temporary labour market absences (such as job rotation). Along with short-time working and other working time flexibility measures, at national level the focus has so far been on fiscal and general economic support measures, in some cases combined with training activities and a strengthening of matching services.

The results of the regional workshops held in preparation for the May 2009 Prague Employment Summit were presented and examples were provided of approaches taken by Member States to upgrade the skills of workers to match the needs of the labour market (Spain), increase access to employment (Sweden) and maintain employment at the same time as promoting mobility (Czech Republic). In particular, ongoing commitment to skills needs assessment and education and training were mentioned as key elements to help unemployed people access the labour market, to prevent job losses, as well as to foster their workers' adaptability.

Different approaches were presented as examples of solutions in Member States. Training was highlighted as a key measure to ensure that workers can remain in employment and the Austrian example of dual training and the combination of short-time working with training measures was presented. The need to ensure people remain in contact with the labour market was also emphasised, since long-term unemployment can have serious consequences. An example from the UK demonstrated better and more targeted access to employment through improving the offer of the Public Employment Services (PES).

The **contribution of the social partners** formed the fourth subject of discussion. Their involvement in the design and implementation of measures to address the crisis is crucial

and in this regard, European Works Councils (EWCs) can play a part in the policy process through the process of information and consultation on the management of change. EWCs, and social dialogue processes more generally, have already played a role at enterprise level in organising adjustments in working time flexibility. Dialogue with social partners is particularly important in order to find pragmatic solutions to reconciling the economic and social needs of employers and workers.

Throughout the event, presenters stressed the importance of opportunities to exchange ideas and practices and to debate solutions implemented in the various Member States. This collaborative approach amongst stakeholders within and across Member States as well as with the European Commission was felt to be important in order to find solutions to the crisis.

3.3 [Peer Review, 25-26 May 2009: Towards a new vocational training \(VET\) system more adjusted to the competencies and skills requirements of the labour market](#)

This Peer Review was hosted by the Spanish Ministry of Labour and Immigration, together with the Ministry of Education and the Regional Government of Catalonia. Eleven peer countries were involved (Bulgaria, Cyprus, Czech Republic, Estonia, France, Germany, Greece, Malta, Norway, Serbia and the UK), as well as representatives of the European Commission.

The discussion among the PR participants focused on a number of key questions, each of which is described in brief below.

The elements required to **make VET pathways more attractive** were discussed, since in a number of the peer countries (BG, CY, CZ, EL, EE, MT and ES), the preferred pathway for young people leaving school is higher education (HE) and the vocational route tends to be considered as 'second best'. Effective dissemination of the benefits of VET to parents, employers, teachers and guidance professionals was underlined as key. These benefits include positive labour market outcomes, competitiveness, long-term employability and the potential of VET to provide upward social mobility.

The adoption of flexible pathways is also important to improve the attractiveness of VET and many countries have sought to create closer links between the VET system and the HE route. Furthermore, it is important for training provision to be **relevant to the needs of the labour market, through the involvement of employers in the design of curricula and in training delivery**, e.g. through internships or company-based training.

With regarding to **anticipating future skills needs**, participants felt that it is necessary to be realistic about the possibility of anticipating long-term skills needs. Moreover, they agreed that more emphasis needs to be placed on strategic skills planning within the context of local and regional economic development plans.

Validation systems are becoming more prominent across Europe. Validation helps individuals to improve their employability through the accreditation of their informal and non-formal learning. It is of particular relevance to those with low levels of formal qualifications and can help to improve individuals' self-esteem, as well as increasing the chances that they will pursue further training. A link between validation systems and the general qualifications framework, together with strong quality assurance processes, will ensure that they are widely recognised by employers.

The conclusion emerging from the meeting was that initial and ongoing VET is a cornerstone for a competitive Europe, as it ensures the workforce is employable and also able to adapt to change.

3.4 [Peer Review, 10-12 June 2009: Renewed procedures for employing migrant workers with the emphasis on favouring highly-qualified labour](#)

This PR was hosted by the Estonian Ministry of Social Affairs, together with the Ministry of Economics and Communication and the Ministry of Interior. Ten peer countries were represented at the meeting (Belgium, Czech Republic, Denmark, Finland, Germany, Greece, Malta, Norway, Serbia and the UK), as well as the European Commission.

The policy focus from the host country was its substantially revised immigration policy, which aims to attract highly qualified migrants to work in Estonia. Site visits to Skype (IT and telecommunications) and BLRT (ship building) were also organised. While the focus of discussions was primarily on short-term schemes to attract skilled workers from third countries, comparisons were also drawn to long-term migration initiatives and the intra-EU movement of workers.

The main focus of discussion was on the use of a **wage criterion** to attract mainly highly skilled migrants. Salary criteria were also used by a number of participating countries and are generally applied to particular categories of workers. In Estonia, the incidence of non-compliance with the salary criteria appears quite high and it was noted that the process to find consensus among social partners on the actual value of the salary criterion had proved difficult. In other countries too, it was observed that the salary criteria tend to be set by consensus and as an average, rather than on the basis of comprehensive and rigorous analysis.

Participants were keen to learn from the Estonian experience in **reducing administrative burdens** and shortening application processing times. Many countries had introduced similar policies.

It was agreed that immigration policies are subject to conflicting interests from various parties. Participants agreed that policies should be developed from **clearly defined policy objectives** and through effective **coordination and collaboration** between the stakeholders involved. Policies should also employ **transparent and non-bureaucratic** measures and a well-functioning immigration system should guarantee compatibility between schemes for short-, medium- and long-term (or permanent) immigration.

The **regulation of job contracts** was considered important, as well as the need to ensure that employment standards covering domestic workers apply equally to migrant workers. **Language** was also felt to play an important role as a communication, socialisation and integration tool, as well as to support the process of employer-employee matching.

The need for immigration schemes to allow for immigration of **low skilled workers** was also identified, if there is a gap in the supply of domestic labour. **Long-term migration** is an issue for a number of the participating Member States and will continue to be important in the long-run, when economic growth resumes. Some countries also focus on intra-EU migration in their policy.

Finally, the economic and social issues of immigration were discussed. It was agreed that the main positive impact of labour migration is its contribution to GDP. Nevertheless, there are also burdens associated with labour migration, for example on the pensions and social welfare system. The social costs of immigration can increase if integration policies are inadequate. At the same time, migration can be used as one way to deal with the demographic challenges facing the EU and can therefore also contribute to the sustainability of public welfare systems. Participants agreed that immigration cannot be the sole solution to an ageing population but should be complemented by strong vocational education and training policies and measures to exploit underused domestic potential. Moreover, participants concluded that a long-term perspective should be taken into account in the design of immigration schemes, to avoid the emergence of skills gaps and social inequalities in the long-run.

3.5 [Peer Review, 2-3 November 2009: Project Learning for Young Adults - A social integration programme helping young people back into work and education](#)

This Peer Review was hosted by the Slovenian Ministry of Labour, Family and Social Affairs, together with the Slovenian Ministry of Education and Sports. Representatives from nine peer countries participated (Cyprus, the Czech Republic, Finland, Germany, Malta, the Netherlands, Norway³, Poland and Serbia), as well as the European Commission.

³ On this occasion, Norway was only represented by an independent expert.

The host country presented a long-standing programme to support young adults who have dropped out of school early, entitled “Project Learning for Young Adults” (PLYA). This project employs various alternative pedagogical and counselling methods to support its beneficiaries to overcome their multi-faceted problems and to re-integrate them into education, training or employment.

Discussions among the participants led to a number of key conclusions in relation to supporting young people. The first related to the need for early intervention. Participants agreed that **‘prevention is better than cure’** and that effective preventative approaches should start in school and address the full set of challenges the young person faces. Nevertheless, alternative provision such as that offered by the PLYA programme is also important for those young people who may not be able to engage with support delivered in a school environment.

Delegates agreed that there should be both a **voluntary** aspect to support services, in order to help young people to build self-discipline and motivation, but that there should also be **compulsory** elements to a programme in order to help maintain engagement.

One of the strengths of the PLYA programme was felt to be the **person-centred, holistic** approach to supporting the young person. Delegates felt that any successful interventions need to be able to take account of the complex, multi-dimensional issues that lead young people to drop out of school and prevent them from engaging in employment or training.

The inclusion of **soft skills** in training programmes was felt to be necessary, in order to enable young people to improve their employability but also to support their relationships and interactions within their communities. The need for a **balance** in the focus of the programme between education and the labour market was also considered to be important to open up long-term opportunities to the young person.

The PLYA programme was particularly successful in ensuring close collaboration between the Slovenian ministries of labour and education. This exemplified the need for all major stakeholders to have an **inclusive partnership approach** and to be involved in the design and delivery of any solutions. An integrated and strategic approach will maximise synergies and produce sustainable results.

Mentors play a central part in the PLYA programme. They are an effective way of securing a young person’s engagement. Appropriate recruitment methods, skills development and training, including peer learning, are essential to support mentors in their work.

Finally, in order to ensure **sustainability**, adequate and reliable funding is particularly important for this type of approach to work. Funding mechanisms need to ensure that NGOs and other smaller organisations, which often develop innovative approaches to working with these target groups, are able to access sustainable support to make such temporary initiatives permanent.

3.6 [Peer Review, 19-20 November 2009: Professional Traineeships for Young Adults](#)

This Peer Review was hosted by the Portuguese Ministry of Labour and Social Solidarity and attended by representatives of ten peer countries (Cyprus⁴, Czech Republic, Estonia, France, Greece, Malta, Netherlands, Poland, Romania and Serbia) as well as the European Commission.

The host country presented its “Professional Training for Young Adults” programme, which focuses on the integration of highly qualified young people into the labour market. While these young people may have completed secondary or indeed tertiary education

⁴ On this occasion, Cyprus was only represented by a ministerial expert.

successfully, they are considered to lack the appropriate skills to translate their formal learning to the needs of the labour market.

The PR discussions led to a number of conclusions. Participants agreed that **young graduates are emerging as a key target group as a result of the economic crisis**. Initiatives such as the Portuguese traineeships can help change employers' attitudes towards investment in training.

It was agreed that education and training need to be more relevant to labour market needs and that guidance services should be strengthened to encourage students to pursue degrees/qualifications relevant to skill shortages in the labour market. In particular, measures combining work experience with formal or indeed informal training seem to be effective in ensuring a smooth transition into the labour market.

A number of practical aspects were identified to ensure the success of such programmes:

- Longer traineeship measures appear more effective;
- The role of the tutor is important in supporting trainees to identify their strengths and development needs but should be closely monitored to ensure it adds value;
- Cost-sharing arrangements ensure better commitment from the employer, although this may not be appropriate in all countries;
- Simple procedures are important to attract companies.

Participants agreed that the **link between innovation and employment policy** should be further elaborated. It was also agreed that such initiatives should be cost-effective and that **more studies and evaluations** are required to inform investment in this type of measure through evidence of their effectiveness.

3.7 [Thematic Review Seminar, 23 November 2009: The European Employment Strategy after 2010 – the challenges and lessons from best practices in the Member States](#)

This Seminar brought together European Commission and Member State officials, social partners and other stakeholders to discuss the European Employment Strategy (EES), in the context of the recent signature of the Lisbon Treaty, together with the approaching end of the Lisbon Strategy in 2010. These developments, combined with the enduring impact of the economic crisis, give rise to a critical context for employment and social affairs across the EU.

The Seminar commenced with a presentation by Professor Iain Begg outlining the findings of a study on the medium-term employment challenges for the EU post-2010 and potential future approaches of the EES, undertaken by the Centre for European Policy Studies (CEPS). This study identified several drivers for change for the EU: demographic change; globalisation and competitive pressures; societal change; a new economy based on knowledge and services; and climate change imperatives. He identified the strengths and weaknesses of the current EES, together with a proposal for a more streamlined and coherent approach to the European Employment Guidelines based on four pillars: Labour supply; Labour Demand; Institutions; and Quality. Professor Begg emphasised the importance of flexicurity and active labour market policies (ALMPs) in any future agenda. In conclusion, he stressed the need for improved governance centred on a pragmatic approach, increased communication and stakeholder engagement. He also recognised the importance of enhanced mutual learning at different levels and in different forms.

Representatives of both the current and future European Presidencies agreed that improved governance is fundamental to the effective implementation of employment policy in the future. Mr Thomas Göransson from the Swedish Ministry of Employment observed that the EES needs to be reviewed in terms of: addressing long-term policy goals; simplifying the existing structures; strengthening the links between the guidelines; and improving the integration of flexicurity. Mr Ignacio Camós Victoria from the Spanish Ministry of Labour also outlined a number of other ideas which should underpin the future employment strategy. These included having a suitably qualified workforce, with the right

skills as a basis for economic growth, as well as the principle of “inclusive, green and sustainable recovery” as a way out of the crisis.

Two Member State perspectives were then presented. The Danish response to the crisis, presented by Fleming Kühn Pedersen (Ministry of Employment, Denmark) includes more flexible rules for short-time working, measures to prepare the PES to help employers tackle redundancies and to implement youth initiatives. Ms Johanna Poetzsch, from the German Federal Ministry of Labour and Social Affairs, spoke of the need for a “modern green jobs strategy” and for economic and employment policies directly linked around the green agenda. In Germany, an initiative for sustainable growth based on reduced CO2 emissions and renewable energy have already had positive effects of on employment which are considered set to continue.

The question of a target group versus a more integrated approach in the post-Lisbon context was also discussed. Dr Anni Weiler from ArbeitsWelt – Working World GmbH, presented the needs of five target groups: people with disabilities, older workers, young people (specifically those in the NEET⁵ category), migrants and women. Ms Weiler advocated a more integrated approach in dealing with disadvantaged individuals, with more strategic and mixed policy-making across *all* the target groups, clear identification of skills and labour shortages according to sector, country, occupation etc., and a workforce comprising an appropriate mix of domestic and migrant workers.

Two Member State examples of targeting specific groups were then presented. In Iceland, the “Gender Equality Monitor” is an expert Committee aimed at monitoring gender equality, with a specific emphasis on the crisis. Estonia’s programme to attract highly-skilled migrants incorporated a number of key features: a reduction in the period of administrative proceedings; the introduction of a wage criterion as a qualification indicator; and doubling the maximum quota for migrant workers.

Ms Heidi Lougheed from BUSINESSEUROPE recommended a ‘moderated’ approach to targeting, which gives room for solutions tailored to individual needs, as well as group dynamics. Ms Claude Denagtergal from ETUC observed that in recent times, even before the crisis, the EU has not succeeded in ensuring the quality of employment, inclusion and job security for a range of target groups and that young people, women and the disabled are particularly vulnerable in this respect.

The conclusions from the Seminar centred around the importance of learning from the past. Lessons learned include the need for future employment policy to be adaptable (to Member State situations), based on consensus, and effectively monitored and benchmarked. While longer term EU-wide targets were considered to be desirable, more specific, national targets and benchmarks could also be set to take account of specific circumstances. There was general consensus that there was no need to ‘re-invent the wheel’ in relation to the EES, as the Open Method of Co-ordination with its consensual approach has largely been accepted. At the same time, it was emphasised that governance needed to be improved, which might help in closing the ‘delivery gap’ seen to exist in some countries. In order to be able to deal with shocks, it is important to apply principles of flexicurity, underpinned by a comprehensive approach to monitoring, evaluation and mutual learning.

Mr Xavier Prats Monné, Director Employment, Lisbon Strategy, DG EMPL, then closed the seminar by outlining the European Commission’s plans and stressing that the ‘way forward’ depends on adaptation (not preservation) of flexicurity, a continued emphasis on skills and jobs, ownership and collaboration with the Member States, social partners and other stakeholders.

⁵ Not in Employment, Education or Training

4 KEY CONCLUSIONS AND MESSAGES

This section aims to provide an analysis of the overall conclusions and messages from this year's activities in the MLP, in the context of the overall theme of the economic crisis and looking forward to the priorities and mechanisms for the EES post-2010.

4.1 Labour market impact of the global financial and economic crisis

It would be impossible to review the proceedings and conclusions of the MLP in 2009 without making reference to the dramatic impact of the economic crisis on labour markets and labour market policy developments, as these have dominated the EU level and national debate and have had such a significant impact on the lives of EU citizens who are the ultimate intended beneficiaries of policy improvement arising from mutual learning.

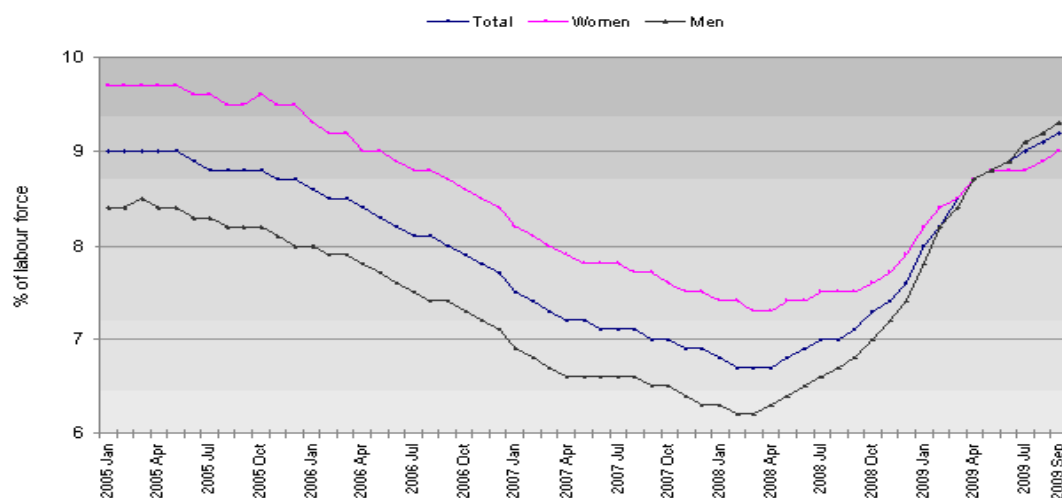
4.1.1 Economic and labour market policy trends

Over the past 18 months, global and EU financial markets and economies have faced unprecedented challenges, which already have, and will continue to show significant repercussions in the labour market. The true interconnectedness of the global economy has never previously been as clearly illustrated as in the recent crisis in the financial markets, which originated in the United States, but quickly spilled across the globe, impacting on credit facilities for businesses and individuals. As a result, what started as a financial crisis gathered pace since the autumn of 2008 and led to the most severe economic recession since the Second World War, reversing much of the significant progress made in employment creation in the EU between 2005 and 2008.

Although the picture varies across the Member States, the crisis has already had significant consequences for EU labour markets, posing new challenges for policy makers at the precise time when the EU is approaching its Lisbon target deadline of 2010, and new priorities and strategies for the coming decade are being considered. So far, EU projections anticipate slight improvements in economic performance over the coming year. The impact of such improvements on the labour market are, however, likely to be delayed at least until 2011.

As GDP growth turned negative in many Member States during 2009 and industrial output in particular slumped, over the last year alone, the EU unemployment rate has increased by two percentage points to 9% (i.e. by 5 million individuals to 22 million, see Figure 1).

Figure 1: Development of Unemployment Rates in the EU (2005 – 2009)



Source: Eurostat, series on unemployment. Data seasonally adjusted.

European Commission forecasts show that the unemployment rate is likely to increase further to over 12% in 2010. While all EU countries have seen an increase in unemployment, the year-on-year rise has been particularly significant in the Baltic States, Spain and Ireland. Among the groups currently most affected are men working in traditional manufacturing sectors, young people and individuals on precarious contracts.

This has to be seen against the background of the EU's underlying problems with the employment intensity of growth which predated the crisis. Both factors mean that the achievement of the Lisbon targets by 2010 is moving further into the distance for the EU as a whole and for many Member States.

Labour market policy responses to the crisis, policy learning and strategic approaches to the European Employment Strategy post-2010 were therefore inevitably at the heart of activities of the Mutual Learning Programme in 2009.

4.1.2 Policy measures to tackle the crisis

Among the European institutions and in the Member States, the latter months of 2008 and the spring of 2009 were primarily dedicated to developing and defining the key economic and labour market policy responses to the crisis. The EU's approach has essentially been two-fold:

- The agreement of a €200 billion European Economic Recovery Package aimed at stimulating and supporting investment in certain sectors; maintaining consumer demand and supporting the functioning of the labour market (for example through front-loading and easing access to resources from the European Social Fund). These funds are additional to national stimulus packages agreed in many Member States.
- The identification of key actions to be included in National Reform Programmes to fight unemployment and create new jobs in the EU Employment Summit held in Prague on 7 May 2009.

At Member State level, the focus of economic and fiscal crisis measures was on general economic support measures such as tax cuts, wage subsidies, state securities for vulnerable companies and financial support to SMEs. In addition, many Member States invested significantly in infrastructure spending and sector-specific support measures primarily for the automotive sector and construction.

Member States responses and measures to tackle the crisis have been categorised along the following lines:

- A state-oriented approach with a strong focus on public investment, combined with various redistribution measures for low-income earners. In this approach, government takes responsibility for employment growth and tries to compensate the negative social effects of the crisis. This approach relies on government expenditure to strengthen demand.
- A stability oriented approach which emphasises state guarantees for companies, the extension of short-time work and support to important sectors. Redistributive measures play a minor role compared to general tax cuts or wage subsidies. This approach tends to assume that the downturn will be short lived and transition measures will be sufficient to restore longer-term stability.
- The liberal approach places the greatest priority on tax reduction, the improved functioning of the labour market through matching services and restructuring of the labour force. This approach counts on dynamism return to the economy through improved demand, with a sectoral reorientation towards growth sectors.

Table 1: Use of different types of stimulus measures by Member States

	General support measures/ guarantees/tax cuts	Sector specific subsidies/ guarantees	Infrastructure spending	Training, qualification and placement activities	Unemployment benefits/public work/more flexible work contracts
Austria	●	○	●	○	●
Belgium*	○			○	○
Bulgaria			●		○
Cyprus			●	○	○
Czech Rep.*	●			○	
Denmark	●	○	○		
Estonia	●				○
Finland	●			○	●
France	●		●	○	○
Germany	●	○	○	○	●
Greece	●	○		○	○
Hungary	●			○	
Ireland	○				
Italy	○	○			●
Latvia	●				○
Lithuania		●			○
Luxembourg		●	○	○	○
Malta*	○		○		○
Netherlands		○	●	○	○
Poland	●		○		
Portugal	○	●	○	○	
Romania			○	○	●
Slovakia*	○		○	○	○
Slovenia	●		○	○	○
Spain	○	○	●		○
Sweden	○	●	●	○	○
United Kingdom	●		○	○	○
○ adopted or planned measure					
● relatively most important measure (in terms of financial volume)					
* no detailed information about financial volumes available					

Situation: April 2009

Source: European Employment Observatory; Economix, background paper and presentation by Kurt Vogler-Ludwig provided to Thematic Review Seminar, 19 May 2009, see http://www.mutual-learning-employment.net/Downloads/Kurt_Vogler-Ludwig_TRS_Paper.pdf

While this approach relies on generalisation and will not apply in full in all countries, it can usefully contribute to an analysis of the longer-term impact and success of different policy approaches. An assessment of the impact of different fiscal stimulus measures carried out by the OECD in 2009 is also instructive in this regard. Their work emphasises the importance of both fiscal stimulus packages and automatic stabilisers as part of the overall response to the economic crisis. OECD estimates show that the increase in unemployment would have been significantly greater without the introduction of fiscal stimulus packages and that the impact of automatic stabilisers is likely to have been even larger in the majority of OECD countries. However, in themselves, fiscal stimulus measures are insufficient to deal with rising unemployment and the wider social impact of the crisis. The OECD therefore emphasises the importance of scaling up expenditure on income-support measures and active labour market policies (ALMPs) during times of crisis.

The development and enhancement of labour market policy measures to deal with the impact of the crisis in the Member States has focussed on four key issues:

- Creating access to employment;
- Improving labour market matching;
- Maintaining employment;
- Managing transitions.

Peer Review activities throughout 2009 largely focussed on the second and third of these priority areas, which will be elaborated in more detail below. At the same time, as the year has progressed, many Member States have placed increasing emphasis on maintaining employment and managing transitions (as presented in the Thematic Review Seminars in May and November 2009). This is particularly reflected in the extension and increasing development of short-time working measures, which can now be found in at least 17 of the 27 Member States. In many countries, access to such schemes pre-dates the current economic crisis and was regularly used in a number of sectors to help deal with short-lived reductions in demand, not only as a result of economic downturn but also due to fluctuations in seasonal demand or weather related work outages.

The application of such schemes has a number of clear advantages:

- They help to retain jobs and secure (at least partial) income, therefore securing consumer demand to support economic recovery;
- Retain know-how for the post-recession period; and
- Provide opportunities for skills upgrading with reduced opportunity cost.

However, the application of such schemes is also not entirely uncontroversial. The most important concerns relate to the longer-term sustainability of such schemes, should growth be slow to return to the economy and concerns voiced by some observers that such schemes could prevent necessary restructuring by propping up ultimately unviable companies or indeed sectors. While these questions will continue to occupy researchers and policy makers, it is clear that many countries which have developed such schemes have been successful in limiting a more damaging impact of the crisis on their labour markets. Such measures, particularly where they are combined with training, as well as restructuring measures encouraging direct transitions into new employment (either within the same company through retraining or through outplacement) could clearly provide for the implementation of an approach to flexicurity emphasising employability and internal transitions. This is particularly interesting with flexicurity likely to remain high on the agenda of the European Employment Strategy. The benefits of the flexicurity approach were repeatedly emphasised in the activities of the MLP and are sure to warrant further analysis in the coming year. Whatever pathway to flexicurity is pursued, emphasis is placed on maintaining jobs, managing transitions, early reintegration and the key role played by education, training and lifelong learning in these processes. The focus on matching of supply and demand and early integration was also at the heart of the Peer Reviews carried out in 2009.

4.2 Matching labour supply and demand

Prior to the onset of the crisis, many Member States were experiencing tight labour market conditions resulting in the emergence of labour, as well as skill shortages, with a potential impact on the further economic development of particular regions. While the crisis has significantly changed the situation, it is clear that in some areas, sectors and occupations skill shortages still continue to persist. Similarly, among the rationales behind the implementation of many short-time working systems is the concern that any skilled workers lost today as a result of redundancies will be difficult to re-employ when the economy returns to a growth situation. This argument is also used by those concerned over changes in migration policies, which might have a longer-term impact on the EU economy, which will require a migrant workforce as a result of underlying demographic trends, albeit this can by no means be the only solution to Europe's demographic challenges.

4.2.1 *Managing migration*

Migration policy formed the focus of the Peer Review activity in Estonia in June 2009. The host country policy example concerned a new process for employing third country migrant workers with an emphasis on favouring highly qualified migrants. The policy was designed prior to the onset of the crisis in response to increasing skill shortages. In the changed context it was therefore difficult to assess its impact. The loosening of administrative procedures was welcomed by many employers in Estonia and was also of interest to participating countries. On the whole, approaches to migration policy differ significantly country to country, depending on a countries' migration background and labour market requirements. It is clear that the higher wage countries of the EU find it easier to attract inter-EU migrants, leading to differences in focus between relying on EU or third country migrants. The policy focus of the EU in relation to third country migrants has been two-fold: increasing sanctions in relation to illegal migration and limiting administrative burdens for migrants with skills required on the EU labour market. Such systems should encourage a "natural balance" between supply and demand based on labour market requirements. However, short-term adjustments can still be difficult to achieve and greater emphasis needs to be placed on "ethical recruitment" and ensuring that migration flows are managed so as not to undermine the economic development of sending countries. Similarly, the importance of policies to integrate migrants was also discussed, although it was not a focus of the Estonian short-term migration scheme. As mentioned above, one of the key conclusions drawn was that it is not possible for the EU to rely on migration to tackle its demographic challenges, but must also seek to activate the latent potential of its under-utilised or potential workforce through ongoing training, enhanced work-life balance and integration measures.

4.2.2 *Anticipating skill needs and improving labour market matching*

An important part of labour market matching is skill needs anticipation. Both in the EES and in its New Skills for New Jobs agenda, the EU has placed significant emphasis on anticipation. This includes efforts to work on future sectoral skills profiles and linked proposals to establish European sector skills councils, as well as the definition of core skills and measures to enhance the transferability not only of vocational qualifications, but also measures to recognise learning outcomes and the accreditation of prior learning. Efforts to develop a new vocational education and training system more adjusted to the skills and competencies required in the labour market were at the heart of the Peer Review held in Spain in May 2009. The Spanish "Roadmap for the Enhancement and Improvement of VET" contained a multifaceted range of measures developed and implemented in partnership between the ministries of labour and education, as well as training providers, social partners and other key stakeholders. It included emphasis on anticipation, validation and accreditation in a way which truly mirrored the requirements of sectoral and local labour markets. While the recognition and appreciation (by employers and learners) of the VET pathway clearly differs from country to country and there are clear divergences of opinion as to the extent to which it is indeed possible to anticipate future skills requirements, there was strong agreement that strong initial and ongoing VET is a cornerstone for a competitive

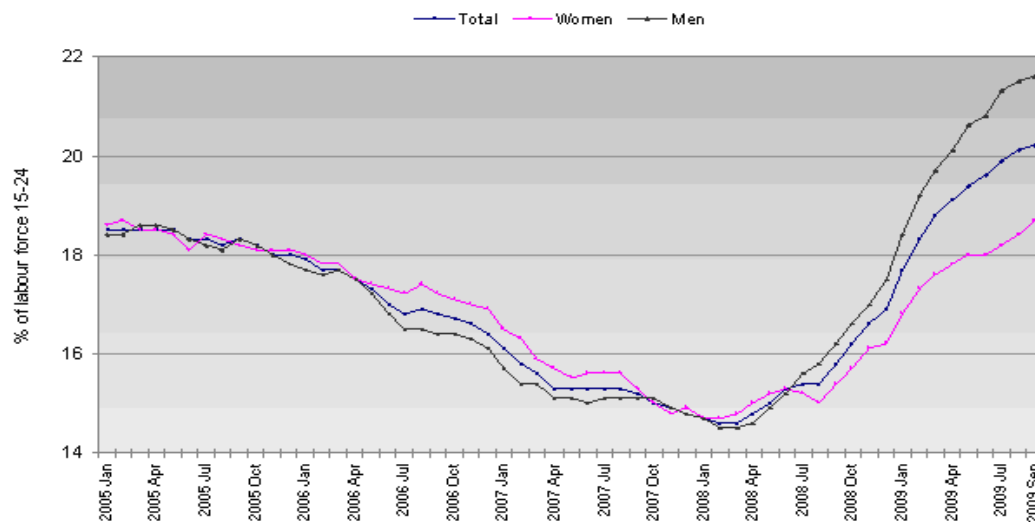
Europe, ensuring workers are employable and adaptable to change. In the debate on anticipation, it was emphasised that this should go hand in hand with the development of local, regional or national economic development strategies.

A strong emphasis on supply and demand side matching was also the focus of the Peer Review held in Luxembourg in April 2009. Under the microscope at this event was the measure “tailor made training for the unemployed” implemented by the Ministry of Labour and Employment. While some of the features and context of the initiative were considered to be difficult to transpose to other Member States, it was argued that measures providing dedicated training support to companies, combined with employment guarantees for trainees could be an interesting model for individuals threatened with redundancy and for hard to reach groups. Particularly in times of recession and in the context of short-time working, it was considered that such tailor made training could assist in ensuring the long-term employability of staff affected while also offering organisations the opportunity to restructure their operation by re- or upskilling their workforce.

4.3 Focus on youth unemployment

Young people have traditionally acted as a “buffer group” in the labour market and this has been no different in the current recession. Even under more favourable labour market conditions, youth unemployment tends to run at twice the rate of overall unemployment. More recently, this gap has opened wider. As employment opportunities become restricted, young people seeking to enter the labour market from school, vocational or tertiary education have found it more and more difficult to find jobs. Generally, this is particularly true for early school leavers and individuals leaving education with low levels of qualification. However, in 2009, a trend has been detected in many countries for highly skilled young people to struggle to access employment opportunities. Between March 2008, when youth unemployment in the EU was at its lowest rate, and September 2009, there has been an increase by 5.6 percentage points across the EU to an average of 20.2%. Eight EU countries currently have youth unemployment rates above 25% (ES, HU, IE, IT, LT, LV, SE, SK). . Alarming, in Spain, the rate for young men currently exceeds 40%.

Figure 2: Development of youth unemployment rates in the EU (2005 – 2009)



Source: Eurostat, series on unemployment. Data seasonally adjusted.

Research evidence shows that while long term unemployment is damaging for future job prospects for all age groups, this is particularly true for the young unemployed. It is therefore unsurprising that four out of the five Peer Review meetings held during 2009 placed a particular emphasis on the successful integration of young people into the labour market.

Two main types of measures have been taken by Member States in an effort to reduce youth unemployment:

- Extending education or providing training programmes to bridge the gap between educational qualifications and skills required in the labour market;
- Apprenticeship programmes, work placement schemes, subsidised employment and support for enterprise creation.

Table 2 below draws on information provided to the MLP's sister programme, the European Employment Observatory for a recent meeting of ministerial and public employment service representatives and presents information on the key measures taken at Member State level to support the employment of young people. Even this brief description of the range of measures available to help integrate young people quickly into the labour market demonstrates the primacy of this policy issue among the crisis measures.

Table 2: Measures aimed at the integration of young people

BE	The regional authorities have been very active in trying to raise the number of vocational training and apprenticeship places. There is improved co-operation between education authorities and labour market institutions and schools and social partners to ensure that training is relevant for the labour market. Entrepreneurship measures for young people have been reinforced over recent years.	LU	General economic and social support measures mentioned in the Plan de conjoncture du Gouvernement".
BG	Special emphasis is being placed on preventing early school leaving. Particular investment is being made in provision of free transport; special tuition for special needs children and investment in IT in schools. The Operational Programme Human Resources (OPHR) funds a programme entitled "Let's make school attractive for young people". Opportunities for lifelong learning, particularly for those with low educational qualifications, have been expanded, for example through apprenticeship programmes. Apprenticeships last up to 12 months. The OPHRD funds work placements in public administration for a period of up to nine months for University graduates unable to find employment after completing their studies.	HU	The "Pathways to work" scheme provides "availability assistance" to those previously receiving social allowance. This cash benefit goes hand in hand with stricter availability checks for public workers organised by local authorities or training provided by the PES. 80,000 individuals are currently taking part in public works schemes, which has reduced the number of registered long-term unemployed jobseekers. Regional employment offices have been granted additional assistance to run tailor made services to integrate older workers, low-skilled and long-term unemployed individuals into the labour market. The scheme has been extended to cover those who have lost their job as a result of the economic crisis.
CZ	A project entitled "Anticipating Labour Market and Skill Needs" has been launched with the aim of building a system of anticipating skill needs at national, regional and sectoral level. Anticipation is to be more closely linked to high quality training provision and lifelong learning and will be hand in hand with the new National Qualifications Framework currently being developed.	MT	Apprenticeship and traineeship schemes facilitate the transition of school leavers from school to the labour market as they provide occupational and social skills through the dual system of training. An apprenticeship campaign is being undertaken in an effort to encourage both jobseekers and inactive persons to opt for apprenticeships while also encouraging employers to invest in apprentices. ETC seeks also to assist early school leavers by offering them work experience. ETC is also planning to re-introduce the Basic Employment Training Scheme, a ten week intensive training programme for those young people who leave compulsory schooling without qualifications or further intentions to study. ETC is about to launch the Youth Employment Programme, co-financed by the European Social Fund to raise labour market awareness among young people; to enhance their vocational skills; and to provide individual guidance and support to young people who most need it.

DK	Based on proposals in a catalogue from the social partners an agreement was concluded on earlier and more targeted intervention. This includes the targeting of training and education towards sectors with skill shortages and towards low skilled job seekers. Subsidies can be given to provide training for unemployed individuals within enterprises. Earlier activation (after 13 weeks of unemployment) was made available for young unemployed people.	NL	To counter the risk of a serious increase of the unemployment of young people the Dutch government in June 2009 launched a Youth Action Plan. This Action Plan covers five main areas (a) Keeping youngsters longer in education: The objective is to encourage 10.000 graduates in lower vocational education, with a bad labour market perspective, to continue in education. Youngsters will be actively approached and monitored by the PES in collaboration with the schools. (b) Agreements with 30 regions: As the actions should be taken on the regional level the Dutch government will conclude agreements with 30 regions. These agreements should deal with the concrete actions to be taken in the regions as well the allocation of resources for these regions. (c) Matchings-offensive: The PES work coaches will provide intensive support and guidance to young jobseekers in the matching process to better link their skills and competences to the demand of employers. Support and guidance will be implemented by the 30 regional employment centres. (d) Extra jobs, learn-work posts, internships and charity work by young people: In the framework of the general stimulus package the social partners did agree to offer every school leaver - after three months of unemployment - an internship. Besides this the PES and the Knowledge Centers Vocational Education and Business (COLO) will take care of 150.000 work/training placements and internships enabling students to finalize their studies. (e) Opportunities to vulnerable youngsters: Some young people need extra guidance towards a job.
DE	The government has set itself a target of “no young person shall be unemployed for more than three months”. In the PES the client to staff ratio for this target group is to be 1:75. The training pact entered into with the central business associations is being continued with the following goal: mobilisation of 60000 new training places and 30000 new training forms as an annual average, as well as an additional 40000 places annual for company based introductory training (there is a corresponding commitment from the German government)	AT	The PES offer young people special training measures to increase their employability. The “Future for Youth” Programme targets 19-24 year olds, providing them with individualised training support within the first six months of their registration with the PES. The labour foundations programme has been extended to create “youth foundations” and targets around 2000 young people between ages 19-24 who have lost their jobs after working for at least three months for an SME or temporary work agency. A solidarity bonus scheme also operates for companies benefiting from short time working allowances. Under the scheme several employees within a company agree to reduce their working time to make room to hire an unemployed individual or – more recently also an apprentice from a supra-company training scheme. In 2008, the new youth employment package ensured guaranteed training places for young people. Supra-company apprenticeship training schemes have been expanded to be available not only to socially disadvantaged young people but also to early school leavers.
EE	Since 2008 the PES has begun to organise job search clubs for young unemployed individuals. The supply of apprenticeship places has declined and the number of state financed vocational training or higher education places has not been increased because of budgetary	PL	In general, measures for the young unemployed are the same as for other hard to place jobseekers. However, as lack of professional experience can be a particular factor, a number of measures concentrate on offering work experience. PES can fund 12 month apprenticeship. In

	constraints.		2008, 170,000 young people benefited from such internship programmes.
IE	The Work Placement Programme is a six-month work experience programme for an initial 2,000 individuals who are currently unemployed. Under this programme there will be two streams each consisting of an initial 1,000 places. The first stream is for graduates who before this year have attained a full award at level 7 or above on the National Framework of Qualifications and who have been receiving Job Seeker's Allowance for the last six months. The second stream will be open to all other individuals who have been receiving Job Seeker's Allowance for the last six months.	PT	Vocational apprenticeship measures have been in place since 1997. This was amended in January 2009 with changes focussing on access to participation. The scheme is now open for young people from 16-35 (previously 30). Duration was extended from 9 to 12 months. A measure is also in place to subsidise employment offered to young people (now up to age 35) which exempts companies from social security contributions for 36 months if they offer an open ended contract. A measure also supports business creation among young people and includes advice and guidance as well as assistance with access to micro-credit.
EL	A new programme of subsidised employment for young people will be part of the anti-crisis action plan. An additional measure will upgrade the skills of young people in information technology. Special training programmes will be implemented with NGOs to help young people with special needs and women who are currently out of the labour market. Subsidies equal to unemployment benefit are being offered to public and private sector organisations recruiting unemployed individuals. The PES are also running special programmes for early school leavers, young scientists and young entrepreneurs. Another programme provides initial work experience to young people.	RO	In response to the crisis 61 million Euros (ESF funded) have been allocated for enterprises who recruit unemployed individuals or those threatened with unemployment. They receive a subsidy of 50% of salary for up to 12 months (sometimes up to 24 months). For particularly difficult to place groups (disabled individuals, long-term unemployed) the subsidy can rise to 75% for up to 24 months.
ES	Plan E provides direct measures to support employment creation. It is hoped that funding to the tune of 11,000 million Euros will assist in creating 300,000 jobs. Among the measures, a Local Investment Fund has been set up to support public works to revitalise the economy and create employment. A special fund support construction, refurbishment and improvement programmes (including in tourism and for private homes). A subsidy of 1500 Euros is available to employers recruiting unemployed individuals with family responsibilities. Support for self-employment is also available.	SI	As SI already has relatively long periods of higher education, the goal is to shorten degree courses. In addition, measures to increase practical workplace experience during the final year of study will be increased and subsidies are available to employer for the recruitment of graduates. Subsidies for self-employment are also available for young people, as well as specific grants for those with low skills. Another focus is on ensuring that young people enter training which is relevant for areas of skill shortage.
FR	The impact of the recession on young people has been particularly severe. As a result a specific recovery plan has been introduced to support youth employment. 1.3 billion Euro have been set aside to assist 500,000 young people in 2010 (under 26). Core elements of the plan are (a) increase in number of apprenticeship contracts (320000 between June 2009-June 2010); (b) Bonuses granted to employers for recruiting apprentices; (c) Promotion of subsidised jobs for young people between 16 and 25 in local government and NGOs (goal of 30000); (d) In addition agreements have been reached between the government and the social partners for additional investment in training.	SK	Young people are among the key target groups for intervention to avoid exclusion. Measures mainly include education and training and preparation for the labour market, as well as advisory services. The education and training offer is based on an assessment of skills lacking which will be required for the labour market. Such measures can be funded up to 100% by the PES and can further be support by help with subsistence, accommodation and commuting costs, as well as childcare. For young graduates without work experience, specific schemes are available to allow them to gain work experience.
IT	The PARI programme is designed to provide access to employment for disadvantaged groups by providing assistance with training or for self-employment. It is	FI	According to the budget proposal for the year 2010, young, school-leavers and recently graduated students should have more opportunities to employment or

	<p>implemented by the regions.</p>		<p>traineeships in order to prevent unemployment and social exclusion. To alleviate youth unemployment, additional funding will be allocated to finding jobs for young people and increasing initial vocational training. Apprenticeship-type continuing professional education will also be offered to graduates of higher education.</p>
<p>CY</p>	<p>To ensure labour market access for young people leaving school or university, the following measures have been taken: (a) Accelerated training programmes for newcomers to the labour market aim at providing theoretical and practical training in occupations which are currently in demand, have a duration of 16-24 weeks and are offered free of charge to persons who want to embark on a career in such occupations. (b) A scheme for the promotion of training for the unemployed is being implemented over the period 2007 – 2013 and will be co-financed by the ESF. It aims at the improvement of the employability of the unemployed, and particularly of the young secondary education school graduates. The Scheme will provide vocational training opportunities in accordance with the needs and demands of the labour market as well as organised practical experience, in order to significantly improve their potential in entering the labour market. (c) The New Modern Apprenticeship Scheme (ESF financed) aims at ensuring mobility between education, apprenticeship and employment and at minimising the risk of social exclusion. The Scheme provides a learning pathway to young persons who withdraw from the education system early, enabling them to upgrade their skills and become more employable and more able to progress in their career. (d) A job placement scheme to training unemployed tertiary education graduates aims both to strengthen the management capacity of enterprises and to create employment opportunities for young tertiary education graduates through the provision of incentives to enterprises to provide employment, practical training and work experience to graduates. (e) With the aim of fostering youth entrepreneurship through the provision of government grants a Scheme was put in operation in 2004 and will continue in the period 2007-2013 with a total budget of €6 million.</p>	<p>SE</p>	<p>The Job guarantee for young people is a labour market programme for people aged 16-24. The young person enters the job guarantee after 90 days of unemployment. The purpose of the job guarantee is to offer young people specific measures at an early stage to allow them to find work or begin or return to education. The service consists of everything from mapping of skills, vocational and educational guidance, improvement of job search and work practice/work training or labour market education. Besides this general programme the Swedish PES has taken a number of steps in order to support young people in their search for work or choice of education:</p> <p>Local mentoring programmes Several local PES offices are already starting up local mentoring programs in which local entrepreneurs and managers provide support to young unemployed people. This gives the young people a first contact with the local labour market. Job Clubs on the internet operated by the PES customer service this provides virtual meetings with job coaches, chats with employers, guidance material and the ability to communicate with other young people online. www.avstamp.nu A special website providing information for young people on how to look for work, and how to study or work abroad. The website also contains information for employers. Career Guide for young people, a book for young people which has been launched for the third year in a row and sent home to all students in Sweden leaving upper secondary school. The Career Guide includes proposals for various job-searching strategies, tips and checklists for writing an application, the rights and obligations at work and interviews with professionals in various industries. Initiatives to stimulate youth entrepreneurship are increasing, however still mostly locally based.</p>

LV	<p>A public works programme with 6 month placements has been instituted to limit the impact of the financial crisis. It provides access to relatively low skilled jobs in the municipalities (like cleaning, improvement and maintenance of public infrastructure (parks and other public areas), small infrastructure building (like trails, benches in national parks), clean-up of polluted areas (rivers, lakes, forests), works in forests, municipal social services). The workplaces have to be newly established (specific criteria are set in order to ensure this) in order not to replace existing employment. The target group of the measure are registered unemployed individuals not receiving unemployment benefit. The allowance paid to the beneficiaries is 100 LVL (EUR 142) per month (a full-time participation requirement (the allowance is paid taking into the account the period of participation) and the allowance is approx. 80% of the net minimum monthly wage currently. Accidents at work insurance will provided to the participants in the measure. The measure is co-financed by the European Social Fund and the total financing amount scheduled for the measure is 24,0 Mio LVL (EUR 34,0 Mio) for the period from 2009 September 2009 to 2010 December 2010. It is envisaged that during the whole period 38 000 persons will have the opportunity to benefit from the measure (taking into account that the duration of participation the fact that working practices can have a duration of be from 2 weeks to 6 months it is very likely that the number of participants beneficiaries will exceed reach up to 50 000 persons).</p>	UK	<p>The Budget 2009 announced a package of measures aimed at young people, which includes the creation of a Future Jobs Fund (autumn 2009) and The Young Person's Guarantee (early 2010). The Government is investing over £1 billion to support the creation of jobs for long term unemployed young people and others who face significant disadvantage in the labour market. The Future Jobs Fund aims to encourage Local Authorities and others to create 150,000 new jobs of benefit to the local community. These will be aimed primarily at 18-24 year olds who have been out of work for a year. This will support a guarantee that from 2010 everyone in this age group who has been looking for work for a year will get an offer of a job or training lasting at least 6 months. The Young Person's Guarantee offer will consist of support to take an existing job in a key employment sector – up to 100,000 places will be offered with funding for sector-specific training, recruitment subsidies and training on the job; work-focused training place, lasting up to six months; place on a Community Task Force, focusing on improving individuals' employability and delivering real help in local communities.</p> <p>Help with moving young people into key employment sectors - funding for Care First, offering 50,000 traineeships for young people in the care sector. Social care providers will receive a subsidy for offering sustained employment and training to young people who have been out of work for 12 months. This will give them the skills and experience they need for a career in this growing sector.</p>
LT	<p>Opportunities for participation in active labour market policies have been extended. At the same time changes to the Labour Code have made it easier for employers to effect redundancies. Public works are being funded by municipalities and PES. For the unemployed this can be combined with vocational training. The "First job" programme has been created for school and university leavers to allow them to gain work experience. Employers taking part receive a subsidy of 50% of wages and social security contributions. A national youth entrepreneurship education programme is being established and general support for self employment is being expanded.</p>	CR	<p>Together with its partners, the Croatian PES is implementing a number of measures targeted at young people, including careers advice prior to leaving school; professional counselling and further education for unemployed young people; subsidised first employment. The latter is supported by the Croatian Chamber of Crafts.</p>
FYROM	<p>Youth unemployment in the FYROM is a significant issue, with over 50% of young people unemployed.</p>	SER	<p>The "First Chance" Youth Employment Programme is among the urgent measures taken to cope with the economic crisis. It was launched in April 2009. The main objective of the programme is to enable young people finding their first job after completing their education and supporting private companies employing qualified human resources. According to the Youth Employment Action plan adopted in 2009 approximately 41 % of all Active Labour Market Programmes (ALMP) in Serbia target first-time job seekers. This also includes apprenticeship programmes.</p>

TR	Turkey has no specific strategic measures to address youth unemployment as result of the crisis, but it has an established systems of apprenticeship and has increased its investment in education and training. Young people have access to general ALMPs.	ICE	Youth unemployment in Iceland is around 21% and has been rising as a result of the country's economic crisis. Ability to implement measures has been restricted by fiscal stringency. General schemes to reduce early school drop out and to provide labour market relevant training are in place.
LI E	Although unemployment remains relatively low, employment policies have in recent years focussed on reducing youth unemployment. A reform of the PES carried out in 2007 aimed assist the provision of labour market relevant training and placement initiatives.	NOR	Better co-ordination of regional PES and education authorities to follow up early school leavers and to support tripartite co-operation to keep apprentices during workforce reductions.

Source: Adapted by GHK from the Summary Tables of the Background Information prepared by MISEP correspondents for their meeting in Stockholm on 7-8 October 2009; <http://www.eu-employment-observatory.net/resources/meetings/MISEPSwedenSummaryTables.pdf>

As well as the policy measures in Luxembourg and Spain, which had strong relevance for the integration of young people into the labour market despite their broader focus on the better matching of education and training provision with labour market requirements, the Peer Review meetings held in Slovenia and Portugal in November 2009 specifically focussed on measures assist the integration of young people.

Although the immediate goal of the Slovenian “Project Learning for Young Adults” was the re-integration of early school leavers into education, its ultimate aim was to help prepare young people facing multiple disadvantage for employment. The most important learning from the Slovenian example related to its individualised, supportive and flexible approach, tailored to the needs of each individual. In this, the role of the mentor played a key part. With the issue of addressing early school leaving and social exclusion high on the EU’s agenda, and in the context of the worsening labour market situation of early school leavers in the recession (which was already poor before), successful practices in this field clearly have a strong value in mutual learning. It is therefore particularly important for such initiatives to have access to sustainable funding, which many countries argued was difficult to achieve. The role of ESF funding in this area was discussed, but clearly warrants closer examination, as it was argued by some participants that the processes relating to ESF funding make it more difficult for smaller organisations, including NGOs, to become involved.

While the target group of young graduates in the Portuguese policy example (Professional Traineeships for Young People) may not have been a priority for many Member States until the onset of the crisis, it is nevertheless clear that measures which emphasise bridging the “skills and competence gap” between formal education and the labour market continue to be very important, particularly when combined with other measures aimed at improving guidance and matching between skills and competencies demanded by employers and those acquired in formal education. The role and responsibilities of employers in delivering such initial and ongoing training was debated, along with the impact that apprenticeships schemes may have on employer attitudes towards the value of delivering training in the longer term. Participants in the Spanish Peer Review also discussed the responsibilities of employers, arguing that the role of the education and training system should be on delivering solid core skills, while employers should play their role in delivering occupational skills.

Evaluation and good practice evidence presented at the different Peer Review meetings focussing on the transition of young people into the labour market highlighted a number of common lessons and success factors relating these measures, which can be summarised as follows:

- Early activation and reintegration are critical to avoid the longer term detrimental effects of unemployment;
- In doing so, a fine balance often has to be struck between this and the potential deadweight effects which can result from early integration;
- The best way of balancing the potential cost and benefits of early integration is through early assessment and the creation of individual pathways, ensuring that only those facing significant integration challenges are offered intensive assistance (a judgement on this will clearly relate to individual qualifications and soft skills, individual challenges resulting from the socio-economic environment, the requirements of the (local) labour market, etc.). In order to achieve this, well-developed, modernised PES services must be available;
- Short-term integration measures must go hand in hand with longer term efforts not only to improve matching systems at the organisational level (PES services), but also with efforts to anticipate future skills requirements and steer local and regional development; improving the match between skills demand and supply; and improving guidance systems to help steer students into shortage occupations;

- From a governance perspective, it is clear that evolved systems of partnership working are more effective. These must focus on integrating all the relevant partners in policy design, implementation and evaluation, including the various ministries involved, social partners, training providers, representative organisation of parents or students and NGOs, etc.

The future of the European Employment Strategy

The current review and planning for the future of the European Employment Strategy post-2010 takes place at a difficult time. A report prepared by CEPS and presented by Iain Begg at the Thematic Review Seminar in Brussels in November 2009 proposes three possible scenarios for the next decade:

- The current recession is only a 'bump in the road' which will not bring about or necessitate any lasting change for underlying economic and labour market policy fundamentals and policy approaches
- The crisis will take a long time to subside, constituting a 'permanent shock' leading to a lost decade in employment creation and requiring ever increasing policy emphasis on welfare and social inclusion
- The EU can take a new direction with a fundamental re-think of the nature of European capitalism and of the employment models found in different Member States.

The report's approach in mapping a new course for the EES in light of these possible scenarios is a rather pragmatic one, which highlights the importance of understanding the differences in Member States' contexts, starting points and trajectories. It acknowledges that the nature and timing of different countries' exit from the crisis will vary, thus impacting on their new baseline position in the EES. It therefore advocates the use of overall longer term targets as well as more country specific benchmarks and monitoring which can take account of the varying labour market challenges facing different countries.

At the same time it is also recognised that many of the basic challenges and drivers in the labour market remain, such as globalisation, technological change, the ageing population and other societal changes. Added to this will be an increasing focus on the management of natural resources and countering climate change.

Two elements of the current EU approach are considered to be particularly relevant for the future of the EES: continued emphasis on a flexicurity approach and the strengthening of the knowledge economy by linking ever more closely key aspects of education and employment policy to deliver the skills needed in tomorrow's labour market.

It is argued that the future EES must build on the strength of the current strategy (common goals setting and measurement against targets and benchmarks are generally accepted; mutual learning is valued as a measure of sharing ideas and enabling policy transfer) while learning from its weaknesses (broad guidelines can accommodate almost any policy; lack of national visibility and ownership; lack of stakeholder engagement and a delivery gap).

The CEPS report therefore recommends that the EES should remain within the Lisbon strategy, continuing to combine economic with employment priorities. It is recommended that target setting is simplified while at the same time being adjusted to national realities (while maintaining long-term goals). Similarly, mutual learning is to be maintained and strengthened. Four pillars are recommended for the future EES:

- Pillar 1: Labour supply

The emphasis should remain on improving human capital and ensuring the long-term supply of entrants into the labour market (for example among women, migrants and young people).

- Pillar 2: Labour demand

The focus here should be on combining economic and labour market priorities; stimulating demand in new sectors; controlling labour costs; emphasising the maintenance of employment and the 'mainstreaming of atypical contracts' in the context of flexicurity (for example to make part-time work a more desirable option).

- Pillar 3: Institutions

Emphasis is placed on improving the matching roles of the PES and addressing the different components of flexicurity.

- Pillar 4: Quality

A specific focus is advocated on quality in employment by enhancing working conditions and ensuring fairness in employment (e.g. anti-discrimination and work life balance agenda).

In addition, a cross cutting focus is to be placed on improving governance, transparency and devolved learning through the exchange of information and best practices. Governance in particular is to be improved through the enhanced involvement of national stakeholders and parliaments.

Continuing discussions on the future shape of the EES

Discussions on the future shape of the EES are continuing. On 3 December 2009, a workshop was held in Madrid to discuss the "Employment and Social Dimension in the Strategy post-2010". Between the 28th–30th January 2010 an informal Employment and Social Affairs (EPSSCO) Council will take place in Barcelona to continue the discussions, with the Spanish Presidency aiming to facilitate agreement by the EPSSCO Council in on 7th-8th June 2010.

The Commission also launched a ['Consultation on the future EU 2020 strategy'](#) in November 2009. This strategy should enable the EU to make a full recovery from the crisis, while speeding up the move towards a smart and green economy. The Commission intends to present a formal proposal for the EU 2020 strategy early in 2010, with a view to the EU's Heads of State and government adopting the strategy at their spring 2010 meeting.

The key focus of Peer Review activities in particular this year has been on the first pillar of the EES structure proposed in the CEPS report, with the majority of measures discussed aiming at the improvement of the knowledge base of the workforce. At the same time, as was outlined above, many of the measures being implemented at Member State level during 2009 also focused on the demand side, particularly by offering government support for the maintenance of jobs (in particular through short-time working allowances) in the context of a wider framework of economic stimulus packages. Similarly, many Member States have sought to improve labour market matching by providing additional support to the PES. In terms of flexicurity pathways, even some of the countries generally largely focussed on external flexicurity strategies (such as Denmark, traditionally offering support for the unemployed, combined with obligations and strong ALMPs) have extended measures supporting internal flexibility (through short-time working, training and other measures). In countries such as Sweden and the UK, which remain focused on external flexicurity and strong matching services, companies themselves have implemented short-time working measures to sustain employment in dialogue between employers and worker representatives. Within the context of the current economic climate, it appears likely that a significant focus will remain on demand side measures, combined with supply side measures seeking to enhance the ongoing employability of workers through training measures.

Many of the PR activities in 2009 highlighted the particularly challenging situation faced by those already experiencing difficulties in accessing the labour market (because of low skill levels and/or other barriers) during the crisis. It is imperative that strong labour market and social support systems are in place to ensure that such individuals do not become further

excluded from the labour market or trapped in precarious employment. The emphasis on the “quality” pillar outlined in the CEPS report is therefore clearly warranted.

The report, as well as the European Commission and Member States continue to place strong emphasis on the potential and importance of mutual learning. The MLP has a key responsibility in delivering programmes and events which are not only timely and well targeted, but also implemented in a way which maximises the potential of mutual learning and encourages, where appropriate, more detailed follow-up activity.

A clearly planned combination of broader thematic information exchange with targeted PR activity and more detailed follow up activities should therefore be the focus on next year’s actions.