



**MISEP Network Meeting on
“Jobs across the life course - making people work!”**

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25 November 2004

Morning Plenary session

The meeting was opened by **Jan van den Bos** (Director General at the Ministry of Social Affairs and Employment), who welcomed delegates on behalf of the Dutch Presidency. Mr van den Bos talked about the stimulation of labour market participation for disadvantaged groups and the notion of ‘jobs across the life course’, especially in light of the comments made by the EU Taskforce, led by Wim Kok. The taskforce findings showed that member states need to intensify their efforts if the 2010 Lisbon targets are to be met. The Ministry of Social Affairs and Employment must shape new ambitions and objectives, but also keep past promises. The Dutch Presidency conference ‘A Social Europe – Let’s Deliver’ concluded that more EU citizens must work more to maintain a decent standard of living, especially in light of current demographic changes. Mr van den Bos also emphasised how important the role of work is in maintaining the welfare state.

In the last year, the Netherlands has moved towards the modernisation of its welfare state. This includes the adoption of the attitude that all that can work, must work, a movement that will be delivered, amongst other means, through the discouragement of early retirement. Mr van den Bos highlighted that high participation of older workers is vital to the Dutch labour market. An active employment policy will become central to this modernisation, especially as work helps to avoid social exclusion and promotes integration. Reliance on social security will be restricted to those who *need* it, and all obstacles to the labour market must be removed. Further changes include the decentralisation of Dutch employment policies and a move towards made to measure, individualised approaches for beneficiaries.

Demographic changes, including the growth of young unemployed people and the aging population will have been addressed by changes in welfare policies. Young unemployed people must now find a job or enter education or training within 6 months, and a taskforce for youth unemployment has been set up. For older workers, as well as the measures already described, it will become vital to increase the understanding amongst both employers and employees that the working population must include older workers. An important step in this area is to improve the image of older workers.

Migration has taken on an important role in Dutch employment policy, especially in light of potential immigration from the 10 New Member States. While migration is a sensitive issue in the Netherlands, it tends to be easier at the higher end of the labour market. There is also scope for change in the Dutch policies on migration outside of

the EU. The topic is acknowledged to be an important one in the Netherlands and the wider EU, and this is also upheld by the European Commission's work.

The welcome was followed by a series of presentations that illustrated the work being carried out in the Netherlands for disadvantaged groups in the labour market.

Rens de Groot (Chairman of the Central Organisation for Work and Income – CWI) gave an overview of the Dutch labour market and conditions faced by workers. He highlighted the fact that there is a split in the Dutch labour market, the severity of which is not always fully appreciated. The Dutch economic climate is currently not conducive to work for groups such as the low qualified population, the disabled and those from ethnic minorities. In the Netherlands, a figure equivalent to 2 million people (25% of the working population), do not have sufficient qualifications. This problem exists for those over the age of 40 with a good educational background, who are now suffering from outdated skills. A further issue is the growth of the aging population - the number of people aged 45-64 will grow by 25% in the Netherlands by 2010.

In order to address these issues, CWI are working to actively promote labour market participation and independency, and to stimulate and develop talent. Mr de Groot emphasised that new solutions and strategies are crucial, and gave examples of helping the labour market by upgrading the skills of workers and encouraging entrepreneurship amongst ethnic minority groups. He also stressed that it was vital that CWI clients commit to jobs rather than remain workless, even if that meant taking on a job at a lower level than one previously held.

Mr de Groot went on to discuss the specific problems faced by young people and older workers. He spoke about the new concept of 'Forward Looking Schooling', an idea that moves forward the 1990s concept of training, which was to achieve the appropriate qualifications for a job and then assume self-responsibility. Forward looking schooling aims to take a new stance on training – it aims to upgrade the basic and work-based skills of the affected groups, and to combine working and learning, so that qualifications and skills are upgraded simultaneously.

The role of CWI is to be a partner in the chain of training, work and income, with both public and private partners. Mr de Groot emphasised that the jobseeker should be central to the concerns of all partners involved, and that a major position for CWI should be to link partners together. Even in an 'e-society', face to face contact is crucial, and jobs are more likely to be won in this manner. In summary, he concluded that upgrading skills is essential if harder to help groups are to gain work.

The Youth Unemployment Taskforce, already briefly discussed by Mr van den Bos, was then presented in further detail by **Elly van Kooten** (Director of the Youth Unemployment Taskforce, Ministry of Social Affairs and Employment). Ms van Kooten began her presentation by highlighting how much of a problem youth unemployment is in the Netherlands, with 50,300 young people registered

unemployed in September 2004, and an increase in the youth unemployment rate from 8.7% in 2002 to 12.3 in 2003. As a result, the Youth Unemployment Action Plan was created by the Ministry for Social Affairs and Employment in June 2003, to be carried out by the Youth Unemployment Taskforce. The action plan has the objectives of limiting youth unemployment to the range of 10-15 per cent, and to find either a job or training for every unemployed young person within 6 months. Its main goal is to create 40,000 jobs for young people by 2007, 7,500 of which are to be created in 2004, with the creation of a further 15,000 jobs in 2005. At the same time, the taskforce wants to reduce the number of early school leavers. Overall, the Youth Unemployment Taskforce has filled 20,000 vacancies since its formation, while it was expected that the target of 7,500 for 2004 would be reached in December 2004.

The activities of the Taskforce are summarised in the 'Three C's' – cooperation, communication and campaigning, all three of which aim to encourage and facilitate employers to create jobs at national, regional and sectoral levels; to support local authorities in developing cooperation and a comprehensive approach to employment and training; and to initiate and encourage innovative practices which contribute to reaching the target. The approach focuses on the three levels mentioned above (national, regional and sectoral), but deals with each one quite differently. Ms van Kooten went on to describe the steps that are being taken in her presentation.

Nationally, the Taskforce acts in partnership with all stakeholders and organisations that can help to reduce youth unemployment or provide training and education. The most important of these partnerships is with CWI, the Dutch Public Employment Service, where there are 65 dedicated youth unemployment advisers. Other measures taken on a national level have been innovative: in order to raise public awareness, a special edition of the national lottery show focusing on youth unemployment issues will be broadcast in May 2005 and lottery tickets are to be used as an incentive for both employers and young unemployed people. Another awareness raising move was to send a newsletter detailing the work of the taskforce to the 80,000 subscribers to the National Vacancy Bank, the biggest database of vacancies in the Netherlands. Many large employers are working with the taskforce to offer jobs and training specifically for young people. For example, the Ministry of Defence offers 4,000 jobs (both apprenticeships and traineeships), while McDonalds offers a minimum of 1,000 jobs for young people which enable them to simultaneously complete their education.

On a regional level, the Taskforce works alongside employers, local authorities and regional platforms to match employers and potential employees. Action days are held to bring together young unemployed people who are keen to find work, and employers who have vacancies that could be filled by young people. The action days provide an opportunity for the two parties to meet face to face. At one action day, held in Alphen a/d Rijn, all 100 young unemployed people that attended were successfully matched with an employer at the session. Another measure that has proved successful is the regional 'commitment sessions', where parties commit to creating extra jobs for young people. An example is the Rotterdam region, which committed to creating 10

per cent more jobs. Moreover, 37 regional ambassadors have also been appointed to champion youth employment.

Ms van Kooten highlighted the work that is being done sectorally to encourage youth employment. In order to address the specialised skills needs that many sectors require, the Taskforce has developed the Education and Development Youth Model. This programme works with specialist training organisations and local authorities to enable young people without basic qualifications to work towards recognised qualifications in the metal industry, offering financial incentives to employers to offer work experience and training opportunities. The intention is that the programme will be rolled out to more authorities and industries, resulting in a national training plan.

At the opposite end of the demographic scale is the problem of the aging population and older workers. **Ger Thielen** (Co-ordinating secretary of the Taskforce for Older People and Employment) presented the work that is being conducted in the Netherlands to encourage the labour market participation of older workers. The Taskforce was set up in 2001 to respond to the 2010 targets set by the European Commission which set out that 50 per cent of those aged 55-65 years old should be in paid employment. At the time, prospects were improving for older workers due to the strong economy and strong demand for labour, but there was still much to achieve.

The members of the Taskforce represent a variety of organisations including senior citizen's groups and trade unions, and while it is an independent, non-governmental body, it has broad political support. The aim of the Taskforce is to find innovative, non-traditional solutions to change the general attitudes and perceptions regarding older workers while improving the job prospects of older people. After the formation of the Taskforce, a campaign was launched which saw hundreds of meetings being held across the Netherlands. Mr Thielen outlined the basis of the 65 major projects that had been carried out, which included surveys and campaigns with communication being the key issue. Increased awareness of the issues was encouraged through the creation of a Taskforce website, the circulation of newsletters and press releases, and extensive communication with the media. In the three years since its' formation, around €5 million has been spent by the Taskforce.

All the projects and work carried out had the same overall aim – to develop long-term policies and change, and to create a new mindset, both to encourage today's young people to want to continue working, and also to encourage 'vitality' amongst older people – to make them want to continue employment and involvement in lifelong learning. The Taskforce are also working hard to discourage early retirement. However, the current economic climate in the Netherlands and public attitudes are providing a difficult task. Research data shows that if people are to receive an acceptable replacement income, the majority will chose early retirement over continuing to work. The Taskforce also encountered problems when Ministers announced that they were to discourage civil servants over the age of 50 to continue working. Taskforce research shows that managers' perceive negative consequences of employing older workers such as increased absence due to illness and resistance to

change, whilst being unable to imagine that they will have the same difficulties when they themselves are older workers.

Mr Thielen presented further Taskforce research findings which ultimately conclude that for truly effective older worker policies, age should be integrated into wider company diversity policies, which should aim towards ‘age management’ – focusing strategies on the personal development of all age groups. It is widely recognised, especially in large multinational companies, that diversity can be a driver towards business excellence, and enables employees to work effectively as a team. Mr Thielen cited Ford as an example of an inclusive company culture, where diversity is valued. Mixed age groups are encouraged in all areas of the company including design and marketing, and as a result, Ford cites higher creativity, productivity, problem-solving capacity and less absence.

The Taskforce findings have pointed to the fact that it is now crucial for businesses to invest in prevention to discourage the need to reintegrate older workers. Investment in the health and education of younger people will create a stronger aging workforce in the future. Businesses are advised to activate older workers through cooperation with public health and occupational health bodies. To help companies carry out such actions, the Taskforce has created a toolkit which includes methods for ‘age-proofing’ jobs, which means matching the right job to the right age of worker; career support for workers; the development of an award for companies who have active older workers policies; and a guide for age neutral labour agreements. Other developments include a service and advice centre on ageing for SMEs, a support team for regional networks of 45+ entrepreneurs and an International Longevity Centre for the Netherlands. Finally, the Taskforce has developed a three year incentive programme for age conscious policies in business with a budget of €21 million.

Sjef Ederveen (CPB – The Netherlands Bureau of Economic Policy Analysis) gave a presentation on labour mobility across the EU, beginning with an overview of immigration patterns in the EU since the 1950s, when a high demand for labour saw high levels of migration, through to the 1980s and onwards. Population growth tends to be determined by immigration, and Mr Ederveen pointed out that growth in the new Member States tends to be low due to a lack of immigration.

Labour mobility is generally good for the economy, for immigrants themselves, and for employers who may sometimes benefit from wage levels being pushed down in a competitive labour market. The long term effects on the economy are small, but overall tend to be positive. The contribution of a migrant worker to the wider economy depends on many factors, but mainly on a person’s age. Research shows that net contributions decline with age, and at retirement, a person begins to cost the state money again. In this context, people who migrate early (around the age of 25) make a maximum contribution to the host economy before retirement. Early migration also allows workers more time to integrate fully into a new society. Labour market participation is also essential for an immigrant to make a positive contribution to both society and the economy, and the highest benefits are found when the labour market

participation rates of migrants are similar to those of native workers. In Southern European countries, the labour market participation of immigrants is of a similar level to that of native workers. Research shows that the Southern countries also experience a much smaller difference between the unemployment levels of immigrants and native people.

The issue of economic integration of immigrants is very important, since it often fails in many countries. CPB research has investigated what factors are important in helping an immigrant find work and integrate in a new country, and it has been found that certain personal attributes are very important, such as age, high educational attainment, proficiency in the language of the new country and transferable skills. However, external factors are equally important. The generosity of the welfare state in the new country has a high impact – research findings illustrate that where there are high levels of state benefits and high replacement rates, the unemployment rates of immigrants are also high. It would seem that there is less incentive to work when the welfare state is generous. In conclusion, migration is most successful for both the person and the host country when the immigrant is relatively young, well educated and highly skilled and enters the host labour market quickly.

Mr Ederveen went on to explore the impact of immigration on policy, on both a global and European scale. From a global perspective, immigration into the EU from outside is a positive thing but has enormous consequences. High levels of mobility would make it incredibly difficult to maintain the European welfare state, and so CPB suggest a ‘selective’ migration policy, perhaps along the lines of the Canadian points system. The Czech Republic was cited as a good practice example. Also, to avoid the possibility of high immigrant unemployment which arises in countries where the welfare state is generous, it is important to maintain an active labour market policy and invest in developing the human capital of immigrants. On the other hand, the negative effects of immigration within the EU, and certainly within the former EU-15, are negligible, as income levels are roughly comparable across the Member States. As a result, it is important to remove the barriers to mobility within the EU, such as the improvement of pension portability and the recognition of foreign qualifications. However, it is still important to remember that language and culture are still the biggest barriers, and it is vital for immigrants and business that these integrational problems are addressed.

East-West EU migration is still a difficulty. Income levels in the new Member States are still substantially lower than in the former EU-15, and as a result of accession there is a potential risk of displacement of workers. However, estimates of the migration potential from East to West suggest a total of less than 3 million people over the next 30 years, with approximately 250,000 per annum in the few years following accession, so numbers are not dangerously high.

In conclusion, labour mobility is beneficial, but not for everyone. To achieve an ‘ideal’ situation, policy needs to look towards the economic and social integration of

migrants, and develop selective immigration policies from outside the EU, while removing barriers to immigration within the EU Member States.

The morning session was closed with a conclusion to the keynote presentations and a brief introduction to the three simultaneous workshops to be held in the afternoon on combating youth unemployment, increasing the employment rates of aging workers and the use of international labour migration as an instrument for achieving full employment in the EU.

Day 1 Workshops

During the afternoon, participants broke off into three working groups to discuss the following themes:

1. Combating youth unemployment
2. Increasing the employment rates of ageing workers
3. International labour mobility as an instrument for achieving full employment in the EU

Working Group 1 Combating Youth Unemployment

The workshop, Chaired by **Peter Stroink** (Ministry of Social Affairs and Employment), with **Pat Irving** (Director of the EEO secretariat, ECOTEC) acting as rapporteur, was built around presentations on the situation around youth unemployment in four countries; Austria, Bulgaria, France and Sweden.

Gudrun Nachschatt (MISEP correspondent, Austria) gave an overview of youth unemployment in Austria. The unemployment rate of young people in Austria stood at 7.2 per cent in 2003 and 9.8 per cent in October 2004. In comparison, the overall unemployment rate stands at around 4.5 per cent. It would seem that immigration is problematic for youth unemployment – of the overall youth unemployment rate about 18 per cent are immigrants. Around 40 per cent have no formal or professional education, and of this 40 per cent, 30 per cent are immigrants. Moreover, there is an increasing inflow of young unemployed and an increasing share of those with no professional education. In a labour market that still has high levels of gender segregation and a shrinking availability of apprenticeship places, Austrian labour market policy faces difficult circumstances.

However, two targets have been developed since 1997 which focus on youth unemployment; firstly, to prevent long term unemployment of young people; and secondly, to improve the skills and professional training of young people. In response to these targets, the PES focuses on early intervention, the demand of the regional labour markets and those who are particularly disadvantaged in the labour market, including young women. Active labour market policies have become key, and the 'Jobs for Youth' programme focuses on job creation and the extension of training and apprenticeship availability for unemployed people aged 19-25. While 56 per cent of the participants have only compulsory level education at the beginning of the programme, some 75 per cent go on to participate in professional training programmes in a wide range of occupations, and of those, 68 per cent move on to a regular apprenticeship programme. 60 per cent of the participants achieve an apprenticeship certificate and over 60 per cent of those participating in the training or employment sectors of the programme go on to regular jobs.

The 'Jobs for Youth' programme has proved to be successful, and while the inflow and number of young unemployed people continues to grow, the length of time spent

unemployed is decreasing. In conclusion however, there is still a long way to go for Austria to tackle the problem. There are issues such as the lack of apprenticeship places due to structural changes, the shift of responsibility from employers to the PES and an ever growing gap between the low skills supply and the demand of the labour market.

The Bulgarian MISEP correspondents, **Todor Krastev** and **Boyka Gyosheva**, gave a description of the problem of youth unemployment in Bulgaria. The overall unemployment rate in Bulgaria stood at 11.74 per cent in September 2004. Youth unemployment figures include people up to the age of 29 and the figure is rather high at 26.4 per cent, or a total of 115,000 people. However, over the past twelve months there has been a decrease in youth unemployment and a drop of the total unemployment rate. Labour Force Survey figures now show an unemployment rate of 20.7 per cent for people aged 15-24 in Bulgaria. There are many reasons for the relatively high levels of youth unemployment, but a primary cause is the fact that the school drop out rate is around 6-7 per cent, while 62 per cent of unemployed young people have only compulsory level education or lower.

As a result, young people are one of the main target groups of Bulgarian labour market policy. There have been several programmes developed in an attempt to tackle the problem of youth unemployment. The majority are focused on increasing education and training levels alongside job creation. An example of job creation can be seen in the programme created for young graduates which enables them to participate in a nine-month job placement in a government department. Trends have shown that many of the participants are keeping their posts after the nine month's placement is completed. Another programme has been conducted in partnership with Microsoft Bulgaria and provides ICT training to unemployed young people, with 240 hours training conducted over a period of two months. The 2003 PHARE wave of funding created the project 'Clearing the Path to Youth Employment', which had two components: firstly, to enhance capacity and collaboration on a local level, for which grants were awarded to local employment initiatives and local communities. Secondly, to award grants for recruitment subsidies, job placement activities, youth self-employment, apprenticeship places and vocational training. Finally, the Bulgarian authorities have developed a range of incentive measures called the 'Employment Promotion Act' which is designed to incentivate employers to hire unemployed people under the age of 29. The programme includes subsidies for up to 12 months for new job creation and the provision of salary and social security contributions.

While the Bulgarian authorities are taking measures against youth unemployment and addressing the problem seriously, they still face a number of obstacles. The school dropout rate is very problematic, as a lack of skills and basic education is a large contributor to youth unemployment. There are economic reasons for the dropout rate that need to be addressed – many parents simply cannot afford to send their children to school. Another serious problem is that of integration of the Roma community in Bulgaria. There are now special efforts being made to encourage and stimulate Roma young people to participate in education. Finally, it is interesting to note that Bulgaria

classifies those up to the age of 29 as ‘young people’, rather than 24 like the majority of EU Member States. The reason for this is that at the age of 24 there is every possibility that a young person may still be in higher education so services are expanded to enable those up to the age of 29 to be helped by special programmes.

Catherine Hiles (MISEP correspondent, France) addressed four key points in her presentation, which included an overview of the profile of young unemployed people in France; why there is such a high unemployment rate; what the main activation and employment measures are and how effective they have been; and finally ‘les plates-formes de vocation’ – a new programme that has been introduced to help young jobseekers.

Statistics illustrate the scale of the problem of youth unemployment in France. Since 2002 the rate has risen faster than the adult unemployment rate, with a 6.4 per cent increase between 2003 and 2004, which equates to 25,000 more job seekers. The youth unemployment rate stood at 21.3 per cent in November 2004. Meanwhile, the youth employment rate is very low in comparison to the other EU Member States at just 27 per cent, while the average rate for the former EU-15 is 40.5 per cent. However, the positive note is that the gap between male and female jobseekers is closing for both the young unemployed and adult unemployed. There is a clear regional disparity in where young people live, while many regions have very few young people. The financial situation for young people is deteriorating. This is because part time work has increased more for young people than any other demographic group, as has the proportion of short term contracts, creating a situation of a ‘working poor’ population. Meanwhile, around two thirds of those under the age of 26 who are registered as jobseekers are not entitled to any financial benefits, as entitlement is barred to this age group unless they have children. The unfortunate knock-on effect of these factors has been a growth in the homelessness of young people.

The reasons behind the high unemployment rate are often attributed to the educational system. A high proportion of young people have low levels of education and qualifications. Moreover, it would seem that the education system is not equipped to provide the skills that the labour market needs – young people coming out of apprenticeship positions integrate into the labour market more quickly than those earning the same training in vocational schools. However, apprenticeship positions seem to attract less young people than vocational schools. The higher education system also poses problems. As French universities are free to access, many young people who are less suited to a university education are entering, and then dropping out. As a result, their entry to the labour market is delayed by a few years without the benefit of a higher qualification. The second problem is that diplomas and degrees obtained are often not beneficial to entering the labour market. Qualifications obtained simply do not match the needs of employers. However, more young people are staying longer in education, a fact which may explain the low employment rate. The final explanation for the high level of youth unemployment lies in the barriers to the labour market that many young people face: women, those from ethnic minorities

and disabled people face double discrimination due to their age. There is also a problem of low wages for young people that may serve to act as a demotivator for entry to the labour market.

Several different measures have been taken to address the problem of youth unemployment in France. Ms Hiles addressed these measures and their impact on youth unemployment in France.

The French PES (ANPE) has set up a series of '*missions locales*' – 600 offices with 9,000 staff who are specifically trained to help the most disadvantaged unemployed young people. Their role is to offer individualised support and guidance, refer jobseekers to the different programmes and subsidised jobs that are available and encourage them to choose apprenticeships. Research findings have shown that apprenticeships and the '*contrats de qualifications*' programme which combines work with study are the best routes into employment, with 84.2 per cent of people moving into employment on completion of the *contrats de qualifications* programme in 2002. However, it appears that the scheme needs to be modernised in order to attract participants and to match the skills base to that which industry requires. Other measures such as the C.E.S. programme (community work), '*contrat jeunes*' and '*emplois jeunes*' have failed to meet government expectations and active measures and intensive support for the lower qualified have failed to reverse the growth trend in youth unemployment so far.

Finally, Ms Hiles' presentation looked at the '*plates-formes de vocation*' – vocational platforms – a new programme developed to help 800,000 young people under the age of 26 with little or no qualifications, over 5 years. The programme will be implemented by ANPE which will set up around 100 vocational platforms across France, using the 'recruitment by stimulation' method. This method looks to test the skills of unemployed young people with no qualifications against specific job vacancies and the skills needed for that post. If their skills match the ones needed they can be referred to the employer, who is involved at all stages of the testing process. Participants in the programme will be assigned to a personal advisor who will provide individualised, job focused support over the long term if necessary. The jobseeker will sign a contract (CIVIS) through which they will agree to take a job in specific professional sectors where there are labour shortages in the local area. Once on the 'platform', the jobseeker will have the opportunity to test their abilities against the skills needed for a maximum of three different professions, at which point they can apply for the suitable vacancies. The targets set for the programme state that 60,000 young unemployed people should be tested per year and then referred to the relevant posts. ANPE plan to allocate €50 million per annum to the programme, along with 500 staff. The first pilot will commence in Metz in February 2005.

Maria Gotherström (MISEP correspondent, Sweden) presented information about the problems that face young unemployed people in Sweden. Youth unemployment has steadily increased in Sweden since 2000, and the rate is more than double that of other age groups. That said, levels do fluctuate and while the rate is higher, the

duration is often much shorter than that of other age groups and it is very rare for young people to be unemployed for more than two years. However, the welfare system in Sweden does not encourage young people to register as unemployed as the majority of young people are not entitled to unemployment benefits. This often causes withdrawal from the labour market and results in 'hidden' unemployment.

It is estimated that around 30,000 young people are outside the labour market and the education system for more than two years. A government inquiry into the number of young outsiders found that the number had increased significantly during the 1990s. The inquiry's report 'Young Outsiders', found that those who had the greatest difficulties were those with low education levels and immigrants, or those born outside of Sweden. The report also found that school drop out can leave a significant impact on labour market participation. While it is known that at least 98 per cent of young unemployed people have attended secondary school, it is less clear as to how many completed their education. (a misunderstanding of data here, 98 percent continue from primary to secondary school.) (This was not said during the meeting but 70 percent drop-out or change program. The completion rate is however 90 percent of those who attend secondary school.)

Sweden has a long tradition of youth unemployment measures and this is maintained in the current extensive policies. The Municipal Youth Programme and the Youth Guarantee Programmes are similar in that they are both conducted by the municipalities, with the aim that their local knowledge will be of benefit to young jobseekers. The difference is that the Municipal Youth Programme is aimed at those under the age of 20, while the Youth Guarantee Programme aims at those between the ages of 20 and 24. Under this programme, the municipalities have freedom to tailor a programme to the individual needs of the jobseeker. Programme can involve training or practice and sometimes a combination of these two elements. A rather different approach is that of the Interpraktik Scholarship, a programme that allows young people who are long term unemployed and have low education levels to gain work experience abroad. It is aimed at those between the ages of 20 and 30 years, and while the participant has complete freedom to find a placement, the Programme covers all costs for a maximum of six months. (This approach ties in with recent research which has shown that it is more beneficial in the long term to allow jobseekers to look for work themselves.)

While it is clear that there is a need for programmes like those mentioned above, which provide vocational guidance and assistance, they are not necessarily delivering good results. There are many issues that the Swedish authorities must address when attempting to resolve the problem of youth unemployment. It is crucial to improve the safety nets for those who drop out of secondary school and it is very important to recognise that the level of unemployment is based on economic and business conditions. The education system also needs to be addressed. At the moment, it appears to be failing to encourage people to remain in education and training and there is a lack of motivating factors for young people. There needs to be a better effort to engage people in school. It is important to use mutual cooperation and more

effective programmes to encourage labour market participation – any young person not engaging in education or paid work becomes a cost to the state rather than a contributor. It is also important to recognise the value of work in integrating people, especially migrants, into society. Current work on assessing the Swedish National Action Plan for employment will help to formulate a plan for the direction of labour market policies for young people.

Pat Irving (Director the EEO secretariat, ECOTEC) gave a summary of the findings from the afternoon's presentation and discussions. She deduced young unemployed people tended to be those with low or no qualifications, with low levels of literacy and numeracy, those who have dropped out of school, immigrants or the children of immigrants, young women, or those who have recently graduated. In comparison to overall unemployment rates, youth unemployment is generally much higher but is often of a shorter duration. However, exceptional cases to this rule are often those with low educational levels who take longer to find work than others. It was apparent from the discussion that many felt that the education system was failing both young people and the wider economy by not encouraging more and better participation and engagement in education, thus preventing young people from finding work.

In much of the discussion and from the presentations, it was clear that most countries have a long tradition of support for young unemployed people, which more often than not include preventative measures and the upskilling of the workforce and the gaining of more qualifications. However, these programmes are not always effective. There has been a funding shift in the upskilling of young people from employers to government, which is perhaps why apprenticeship places are becoming more rare. Ms Irving asked if new measures could be the answer in solving the increase in youth unemployment. Ideas such as vocational guidance and advice and the vocational platform being launched by the French PES (ANPE), may well help reverse the trend.

Ms Irving noted that there seemed to be a common theme running through the four presentations given in the workshop. She highlighted four words that seemed to be particularly appropriate:

- Dropout, from both education and labour market programmes;
- Disengagement, from the labour market and training;
- Disaffection, isolation and alienation from the labour market; and finally,
- Deselection, which seems to be particularly common in both Sweden and France where many young people are not engaged in either the labour market or education.

Other important issues to note include that of compulsion, particularly in those countries where no financial benefits are paid to those who are unemployed, as well as looking more carefully at the quality of jobs available and making work pay.

When looking towards future developments in youth employment, it is clear that sharing experiences highlights the commonality of the problems faced. However, sharing experiences can also raise good practice examples and the example of the

vocational platform in France will be interesting to follow – it has been proven to work with other age groups and if it's success transfers to young people, then there may be lessons to learn for other countries. Finally, it may well become important to integrate youth measures more with other labour market policies. The answer could lie in looking for all-age solutions at a more local level.

Working Group 2 Increasing the employment rates of Ageing Workers

Martin Blomsma (MISEP correspondent, the Netherlands), the workshop Chair, opened the workshop with a number of introductory remarks. He highlighted demographic trends leading to an ageing of the population, which is likely to have a significant impact on the labour market, but also on European welfare states (health and social care provisions, pensions etc.). Potential remedies for this situation could be found by either increasing the employment rate among older workers or by increasing productivity, tailored immigration or through the trimming down of existing welfare provisions.

Joseph Remy (MISEP correspondent, Belgium) presented demographic trends in Belgium, the labour market situation of older workers, measures which have already been taken seeking to activate older workers as well as other measures currently being considered (see also slides). The participation rate among older workers in Belgium is particularly low at only 28.1%, with average working life rather shorter than in many other Member States, with an average of only 37 years.

The current labour market situation indicates that older workers find it too difficult to stay on in work as a result of difficult working conditions and health problems. Symptomatic of this is the high sickness absence rate among older workers (same rate as the EU average). One solution to this might be greater use of part-time work, which is not currently common among older workers. Another issue is the lack of training available to older workers. Other countries display better figures in relation to the take up of training among the over 55 working population – although this is generally rather low. Access to training among the less skilled is even more restricted which poses barriers to employability and professional mobility. In addition, the gap between the salaries of younger and older workers is great in Belgium with the prevalence of seniority related pay, thus effectively pricing older workers out of the market.

However, one of the key reasons for low levels of participation in the labour force among 55+ year olds is the access available to programmes encouraging early retirement. Collective agreements provide for access to early retirement over the age of 58 and unemployed elderly workers can choose no longer to be actively seeking employment. These systems have allowed companies to restructure their operations. The take up of invalidity pensions is also significant. The prevalence of the use of early retirement has been a feature of the Belgian labour market for over 20 years and is proving difficult to reverse. This has also led to a situation where a labour market for over 55 year olds hardly exists.

Measures introduced by the government to activate older workers include:

- Access to more flexible employment: a system of time credits allows workers to reduce working hours while receiving an indemnity which largely makes up for the loss in salary. The majority of individuals taking up this scheme have chosen to reduce working time by one fifth. Few decide to reduce working hours by half.

- It is also possible to continue to receive unemployment benefit for a limited period of time following the take up of employment by older workers.
- Subsidies are also available to employers recruiting older unemployed and employers can benefit from reductions of social security contributions in order to encourage them to keep on older workers.
- A right to outplacement is also granted to workers aged 45 years and over facing redundancy or restructuring which allows them to maintain their link to the labour market in a changed capacity. Employers, which do not offer such outplacement face a fine.
- A professional experience fund (total of 5 million Euro) is available for companies employing older workers, However, the impact of this measure has so far been limited.

Other measures to be implemented by 2005 include:

- Stimulating lifelong learning and training measures particularly for older workers
- Rendering the end of career period more flexible and facilitating access to alternative jobs
- Reducing salary difference between younger and older workers
- Making early retirement systems less attractive to employers and employees

More long term measures include consultations with social partners on a system of time savings' accounts which can better manage end of career transitions. In addition, an information campaign aimed at employers is being planned.

Arnold Hemmann (MISEP correspondent, Germany) provided an overview of the situation of older workers in Germany and measures available for their activation. The employment rate among older workers in 2003 was 39.4% (47.9% among men and 31% among women). This means an increase from a rate of 38.7% in 2002. The main problem for the labour market lies in the 60-65 year age group where the employment rate is only 23.4%. Many measures have been introduced to address this phenomenon. But it is also crucially important to change mindsets in order to achieve a lasting positive outcome, particularly since both trade unions and employers have used former retirement possibilities to conduct "socially responsible" restructuring. This is why the government and social partners have instigated publicity campaigns to achieve such a "paradigm change". Regarding measures to encourage active ageing it is crucial that this be co-ordinated rather than isolated and addresses pension legislation, employment law and labour market policy.

With regard to pension legislation, incentives to take early retirement have been reduced. For example :

- Exceptions for women from the 65 retirement age and for those with a long contribution record are being scaled back. As a result early retirement is still possible, but results in greater financial penalties.
- Entitlement to unemployment benefit for older workers was reduced from 32 to 18 months (to become in force in future) which makes it more difficult to combine

company early retirement schemes with such benefits to bridge the gap between early retirement and pension age.

- Fixed term employment is generally limited to 2 years. However, for older workers this time limitation no longer applies.
- Labour market policy offers a subsidy to employers recruiting unemployed persons over 55. In addition, if an older worker takes up a job on a lower salary than he/she received previously, the state pays up to half of the difference between the two salaries. Small companies can also benefit from a subsidy for providing training to older workers.

Many of these measures are currently time limited and their continuation will be considered following an impact assessment. Early indications are that the use of some of these measures is low, but it is too early for an assessment.

Oliver Demko (MISEP correspondent, Hungary), noted that demographic ageing is also an important phenomenon as birth rates decline and longevity increases (although the share of over 50s is lower than in the EU15). However, the largest share of the over 50s outside the labour market is due to inactivity rather than unemployment. The key challenge is therefore to bring the inactive back into the labour market. Older workers often suffer from a lack of training, poor health and a lack of motivation.

The overall employment rate in Hungary is low and consequently, the employment rate among older workers is even lower, starting from the age of 45. From 2008, the pension age for both men and women is 62 (currently it is 62 for men and 59 for women). The older unemployed are also more likely to be long-term unemployed.

The government has tried to increase the labour market rate among older workers through subsidies. However, the overall participation of older workers in labour market programmes remains limited. The question was raised whether there is conflict between the goals of seeking to increase the employment rate among older workers with increasing employment among other age groups. One of the key issues for Hungary is to improve working conditions to reduce the level of poor health among older workers (life expectancy among older men is only around 65).

Ger Tilen emphasised the importance of employers investing more in human resource management (Lifelong learning, health and safety etc) in order to foster an attitude of prevention of the early exit of older workers. Attitudes among employers need to change particularly as research has shown that productivity and innovation are greater in companies employing older workers. There has been little work in relation to showing the business case for employing older workers. The UK was quoted as a positive example. The company B&Q for example found that sales were higher in stores employing a larger proportion of older workers since customers felt that older employees were able to offer better customer service. This policy was therefore adopted throughout the group.

Aija Vucane (MISEP correspondent, Latvia), noted that there has been a dramatic drop in population since 1991, largely as a result of the reduced birth rate (but also due to emigration, mainly to the US and Germany). As a result, the age pyramid has a very narrow basis. The ethnic population profile is 60% Latvian, 30% Russian and 10% from other nationalities. Among older citizens women predominate as life expectancy among men is rather low. The overall employment rate is 61.8% whereas among older workers it is 44.1%. Currently, the retirement age among men is 62 and 60 for women. By 2008 this will be equalised for both men and women.

The government is planning to eliminate the possibility of early retirement two years prior to official retirement age, with the exception of special cases. Active labour market policy measures include the offer of vocational training, job clubs, subsidised work, paid temporary public works, job placement, ESF funded measures. An important part of seeking to increase the employment rate among older workers is to increase the quality of employment (in relation to flexible employment, health and safety provisions, access to training, improvement in social dialogue).

The question was raised whether it is worth seeking to recruit or retain older workers at all cost. There is a significant proportion of Russian-speaking workers approaching retirement age in Latvia who. These workers immigrated from Russia and other former republics of the Soviet Union during soviet time for several reasons (to supply workforce for the big state industrial enterprises, to staff the soviet army, etc.). They have poor language skills and little labour market relevant training and would be extremely difficult to activate.

The representative from the Norwegian ministry indicated that in **Norway**, the labour market situation of older workers and demographic trends are possibly less serious than in other countries. The current retirement age is 67, with early retirement possible from 62 (based on social partner agreement). Participation rates are strongly influenced by the level of training, which is generally high. In addition, levels of part-time work are high in general, including among older workers. However, there is a concern over the number of individuals retiring on disability pensions. 22% of 50-59 years currently receive such payments.

In agreement with the social partners, the government has set the goal of increasing the effective retirement age; reducing sickness absence rates and finding more jobs for individuals with restricted ability. In order to achieve this, the government would like to abolish the early retirement system, however, this is based on a social partner agreement.

A centre for senior policy has been created with the aim of raising awareness of the benefits of employing older workers and to learn from good practice in individual companies. The importance of training is emphasised in a collective agreement on lifelong learning and measures to encourage and enable the accreditation of prior learning. It is the policy of the Norwegian government not to have any separate policies for older workers, but instead to provide them access to mainstream active

labour market policies. Apart from wage subsidies, there are no other targeted measures.

Towards the end of the workshop, the Chair highlighted the following lessons:

- Labour market participation among older workers is still generally low, but has been improving in recent years. However, much remains to be done
- There are significant similarities in approaches to improving their labour market position
- Focus must be placed on prevention rather than cure

On the plenary session at the start of the second day of the meeting, **Tina Weber** (ECOTEC), acting as rapporteur from Workshop 2 and reflecting on the workshop discussions, reported the following:

Trends

The trend toward a demographic ageing of the population as a result of increasing longevity and reduced birth rates is by now well known. This trend is particularly prominent at a time when the “post war baby boomers” are reaching retirement age. These trends have significant implications for labour markets and welfare systems of the EU Member States. This overall situation has led to the formulation of employment guidelines focussing on active ageing and the prominence accorded to this issue in the 2003 Kok report “Jobs, jobs, jobs”. The target set at Lisbon of a 50% participation rate among the over 55s is currently a reality in only very few Member States (Denmark, Portugal, Sweden, UK, Estonia). Other countries are very close to reaching this target or have improved their performance significantly in recent years (Netherlands, Ireland, Finland, Cyprus). However, a significant number of countries are very far away from reaching this target with employment rates among older workers of between 20-25%. In some countries these trends have been exacerbated by emigration of young skilled workers.

Reasons for low participation

Poor overall economic performance clearly has an impact on overall employment rates and consequently the employment rates of older workers. Heavy restructuring and economic shocks regularly push large numbers of older workers into early retirement without any chance of re-entering the labour market.

Early retirement policies have been prevalent in most of Europe for over 20 years and this trend is proving hard to reverse because of older workers’ expectations, but also because of the lack of an effective labour market for over 55 year olds. Many early retirement schemes result from social partner accords and must –if at all- be scaled down over time.

It is therefore crucial to change mindsets and for a paradigm change to occur among employers and employees and to reduce social partner “collusion” in seeking to address modernisation and restructuring situations through early retirement.

Another reason for the poor labour market position of older workers is the overall lower level of education and training and the lack of access to opportunities for lifelong learning which results in lower employability over the life course.

Many older workers suffer from poor health (highlighted by sickness absence rates and the level of entry into disability pension systems) which must also be addressed by increasing employability throughout the life course. Poor health among ageing workers is a particular issues in many of the new Member States where male life expectancy is often low.

A question mark was raised over the impact of working conditions on early exit, i.e. the pace of technological change and work. This is refuted by research which indicates that companies employing older workers have greater productivity and capacity for innovation.

A final issue is the cost of employing older workers (pay based on seniority) which is seen by some to contribute towards pricing older workers out of the labour market.

Measures introduced to activate older workers largely fall into one of two broad categories: incentives or disincentives – carrot or stick and can be summarised as follows:

Carrot	Stick
Subsidies to employers (i.e. reduction of social security contributions)	Increasing pension age
Change seniority based salary systems	Making early retirement less attractive
More flexible working (part time work, fixed term work etc)	Precluding other routes to early retirement
Subsidies for training	
Accreditation of informal learning	
Health and safety and maintaining work ability measures	
Flexible retirement (combining work with pension)	
Active labour market policy measures such as placement, training, bridging payments, cumulation of salary with benefits	
Outplacement	
Information campaigns	

Conclusions/lessons

- The discussion may have raised more questions than provided answers
- The demographic situation is serious
- The labour market situation of older workers is poor but improving in many countries
- There are similarities in the policy approaches used, but there is little evidence of evaluation and assessment of what works
- The importance of good overall economic conditions must be emphasised as the labour market situation of older workers is generally better in a more buoyant labour market
- The policy framework differs from country to country and approaches to deal with the challenge must therefore be customised
- The policy system must be based on prevention as once unemployed older workers are more likely to enter long term unemployment
- Emphasis must be placed on co-ordinated policies (labour market policies, pension policies, tax and benefit systems etc)
- Social partners must buy into policies and the business case must be made in order to encourage local implementation
- Early exit must still be possible for those genuinely unable to continue working until retirement age without undue penalties
- It is important to change the mindsets of employers and employees through information campaigns
- The question was raised whether there is in fact an intergenerational conflict and it is not possible to increase the employment rates of older workers as well as other groups at the same time.

Working Group 3 International labour mobility as an instrument for achieving full employment in the EU

Dick Hagoort (Ministry of Social Affairs and Employment), the workshop Chairman, introduced the theme of labour mobility and its importance as a means for stimulating economic growth and improving the situation of unemployed workers throughout the EU.

The workshop focused initially on improved facilities for labour mobility within the EU. In this context, **Marjolein Peters** (ECORYS NL) presented the recently initiated Evaluation of the EU-funded EURES job mobility programme. EURES is a programme structured around a set of general and operational objectives and the evaluation is intended to assess to what extent EURES meets the various sets of objectives, starting from meeting the general objective of free movement of labour and the integration of European labour markets. EURES uses a number of instruments to attain its objectives, including: databases of vacancies and CVs; services to employers; services to jobseekers such as information, counseling and advice; and monitoring systems.

Examining the EURES instruments, the evaluation will assess whether the operation of EURES is addressing a number of needs concerning European labour markets, including the need for labour markets open and accessible to all, the need for transparency and information exchange, the need for the exchange of vacancies and CVs, and the need for using appropriate labour market indicators. Last but not least, the evaluation will assess how the EURES operational objectives (of enhancing transnational, sectoral and cross border cooperation, job matching services and systems for monitoring and tackling obstacles to mobility) are met. The evaluators will use three internet-based surveys, as well as interviews and desk research to obtain the views of EURES advisors, jobseekers, employers, as well as trade unions, national Ministries and other stakeholders.

Regarding the evaluation timeframe, this started in late 2004 and will be completed in 2005. The desk research and EU-level interviews will be completed by March 2005, while the surveys of EURES advisors, jobseekers and employers, as well as the evaluation at the member state level will be completed by July 2005.

Stanislav Benes (MISEP correspondent, Czech Republic), presented the demographic situation facing the Czech Republic with the ageing of its population and discussed how immigration can help address this demographic challenge. However, immigration cannot be regarded as a panacea because of the fact that second generation of immigrants follow the same demographic route as the domestic population and since it can prove costly to improve the qualifications of low-skilled immigrants.

He went on to present the Czech Pilot Project for the Active Selection of Qualified Foreign Workers, launched in the summer of 2003. The aim of the project is to enable qualified foreign workers to settle and work in the Czech Republic and to integrate

them fully into society, together with their families. The project mainly aims to fight illegal migration. During the first year of the project's implementation, 185 qualified foreign workers were selected together with their families, coming mainly from Bulgaria, Croatia and Kazakhstan. The pilot phase is intended to continue over 5 years, after which the project is expected to be mainstreamed in order to include immigrants from more third countries in addition to the three covered at the moment.

A rich discussion followed since selective migration raises questions around the effects of selective migration for 'sending' countries. Even though the effects of selective migration for host countries are often studied, the effects for 'sending' countries should also be examined. The example of Estonia was quoted as a 'sending' country which may in the near future be facing a demographic situation similar to that of countries receiving immigration, due to the ageing of its population.

Kaili Jarv (MISEP correspondent, Estonia), took the floor with a presentation on the main features of labour migration intentions in Estonia. In 2000 and 2003 two opinion surveys were conducted ahead of EU accession, in order to study the migration intentions of Estonia's working age (15-64) population. A comparative study was published on the basis of those surveys, entitled 'The Potential of Estonia's Working Age Population to Work in the Countries of the European Union'. In November and December 2003 another opinion poll was conducted among Estonian health sector professionals in order to investigate their willingness to work abroad. Similar surveys analysing the migration intentions of health care professionals after EU accession have also been carried out in Poland, the Czech Republic, Hungary and Lithuania.

The Estonian studies of migration intention, showed that, in 2003, approximately 42% of Estonian people aged 15-64 were inclined to move abroad for work purposes, but only 3% had a definite intention to move abroad permanently. Moreover, the studies illustrated that earnings' differentials are still the main determinant of the migration decision in Estonia. According to the studies, migration is most attractive to men, young people and students, while it appears to be mostly preferable to work abroad on a temporary basis (for some months or from time to time). The preferred destination of survey respondents was found to be Finland due to its geographical and cultural closeness and a relatively low language barrier. Finland was followed by Germany and the United Kingdom, as preferred destinations.

In terms of sectors that might be particularly affected by migration, health care professionals proved the most interested to work abroad with 5,4% of them stating that they had definite plans to work abroad. The presentation concluded that while a modest proportion of the working-age population intends to work abroad, the potential departure of young people and specific groups - like for example health care professionals who face active recruitment, much higher wages and better working conditions abroad- could be more problematic and policy steps need to be taken in response to such a possibility.

Ahti Avikainen (MISEP correspondent, Finland), presented Finland's immigration policy priorities. Finland was historically an emigration country, with the last wave of emigration having taken place in the 1960s. Currently, the share of people with foreign background is only about 2% of the total population of Finland (or around 107,000 persons). Immigrants have come mainly from neighbouring countries such as Russia, Estonia, and Sweden while the number of Russian and Estonian immigrants has increased very rapidly over the past decade.

There are many sensitive labour market issues related to the immigration of workers, including how to guarantee equal treatment for foreign labour and how to prevent the use of illegal labour and the increase of the shadow economy. At the moment, there is also a need for Finland to better utilise the unused labour reserves, since the unemployment rate is relatively high. Unemployment stood at 9.0 % in 2003 and is mainly due to the mismatch between the demand and supply of labour resulting, among other reasons, from low labour mobility within the country. Moreover, it is expected that up to the year 2015, there will be a need for additional workers in the sectors of construction, care, services and industry in Finland.

As a result of the above, a comprehensive immigration policy programme is currently under preparation in Finland and the government is prepared to promote immigration in support of the labour supply. The key immigration policy priorities for Finland are related to the integration of immigrants and the provision of adequate services and support for them, to guarantee equal treatment of migrant workers and to fight illegal immigration. Moreover, it is felt that special attention should be paid to the families of immigrant workers, namely immigrant youth, children, and women. The targets of the new immigration policy programme for 2005 include taking account of the viewpoints of a wide variety of stakeholders, and promoting extensive cooperation and commitment between central and local government, the business community, the social partners and NGOs. Even though the focus of the new policy programme is on labour migration, preparation for the programme will also cover the effects of EU enlargement, work permit procedures, policies for foreign students, and ways to anticipate the potential increased international competition for skilled workers in the future. Therefore, the preparation of the new immigration policy programme will require careful planning between various administrative branches in Finland. The presentation concluded that it will be essential for EU member states to realise that they have a common interest to cooperate between them, in order to promote labour mobility.

Kurt Berlinger (MISEP correspondent, Germany), also focused his presentation on meeting the challenges and opportunities that integration of immigrant workers gives rise to. In contrast to Finland, where only a very small proportion of the population is of immigrant background, about 10% of Germany's population corresponding to 8 million workers are of immigrant background. Out of these, about 2,5 million are of Turkish background. Due to the scale of immigration, assisting the integration of migrants and providing opportunities to them is a key issue in Germany. This is

especially pressing in light of the fact that roughly roughly more than 600.000 immigrants face unemployment, with a share of registered unemployment of 12,9%.

The new immigration law recently passed in the country starts with recognising that Germany is an immigration country. The second characteristic of the law is the focus on integration of migrant and thirdly, the law provides for a one-stop-shop for foreigners to obtain residence and work permits. Heated discussion is currently taking place in the country regarding the future policy priorities in response to immigration and to the need for immigrants to no longer be low-profile workers, but to have German language proficiency and be highly skilled.

During the discussion that followed, **Liam Worthington** (MISEP UK representative) pointed out that instead of applying transitional arrangements on the movement of workers within the EU, it would be more efficient to establish and use a common system for monitoring and registering migrant flows. The UK Immigration Department has already set up such a system, entitled the Workers' Registration Scheme, which has so far registered 90,000 applications and 67,500 vacancies. The rationale behind the Scheme is to monitor demand for work in the UK, without placing restrictions on the movement of workers. The UK currently enjoys low unemployment and high employment rates, hence it does not apply transition measures for the New EU member states. Instead of this, it is important for the country to gather statistics in order to understand the demand coming from immigrant workers to work there, without preventing free movement.

Anna Manoudi (ECOTEC), the workshop rapporteur, summarised the discussion during the workshop in the plenary session of Day 2, as follows:

The labour mobility workshop focused initially on improved facilities for labour mobility within the EU. In this context, the Evaluation of the EURES job mobility programme, gave the impetus for discussion on a number of issues:

- there is a high number of invisible/potential users of EURES compared to the actual number of EURES users who are the people taking the step to register. The evaluation will for the moment focus on actual EURES users, even though it is recognized that potential users are much more numerous.
- Additionally, there was a discussion around how to evaluate the operation of EURES in the New Member States, since EURES started operating there only in mid-2004. Despite the short time of operation, some good examples of using EURES effectively in the already exist. For example, since May 2004, the EURES system has helped 1,050 Slovak citizens find a job in the European Union. The labour offices registered 2,700 job applicants seeking to work abroad and the majority of job opportunities were offered in countries not applying labour market restrictions against Slovakia, including the Czech Republic, Hungary, Slovenia and Cyprus.
- The discussion concluded that there is a need to explore alternative ways to promote mobility (such as private recruitment services or big corporations who often recruit staff from other countries). Further thinking needs to take place on how these alternatives can work in conjunction with EURES.

The workshop also turned to the issue of selective immigration for meeting specific labour market shortages. This is widely seen as a way for migration to successfully promote EU economic growth and address the demographic problem that host countries throughout Europe are often faced with. In this context, the Czech Republic presented the details of a pilot scheme for selective migration.

While the benefits of selective migration for host countries are obvious, it is also important to examine the effects of selective migration for 'sending' countries. Estonia is an example of a 'sending' country that is studying the potential effects of population migration, especially in light of the fact that it faces a demographic situation very similar to the countries receiving Estonian immigrants. The issue of whether selective labour migration is potentially a 'brain drain' was also discussed. It was argued that this does not need to be the case since human resources are a valuable export product for sending countries. Moreover, emigrants send remittances back home which in the case of some African countries are higher than the amounts of aid received. Finally, it is believed that once emigrants return to their home country they bring with them entrepreneurial ideas and expertise that can contribute to economic progress in the home country. As an illustration, it was pointed out that a lot of the foreign direct investment (FDI) that has fuelled economic growth in Ireland since the beginning of the 1990s, is to a large extent due to Americans of Irish descent, returning and investing in the homeland of their parents.

The workshop then focused on key issues around immigration policy. Immigration will be a key issue in the near future, due to the demographic problem facing many countries and due to the drive to attain the Lisbon targets. In this context, the integration of migrants and their families is nowadays the main policy concern in many countries. Germany and Finland are revising their immigration policies to enhance the opportunities for integration.

The need for monitoring and registering migrant flows throughout the EU was emphasized as a means of facilitating the movement of workers within the EU and the UK Scheme registering detailed data on immigrant workers was illustrated. It was pointed out however, that registering detailed data on immigrant workers might not be possible in other countries, due to legislation protecting personal data. Despite such difficulties, however, the general view was that in order to have a unified EU labour market, with increased mobility and free movement of workers within it, a unified EU policy framework will be necessary, even if this allows for individual country variations. On the question of whether it will be preferable to have a unified EU immigration and labour market policy or distinct national policies throughout the EU, the conclusion was that this does not have to be an either/or answer. A common EU immigration policy framework can exist within which individual member states will apply policy with distinct variations, more or less effectively. Regarding the labour markets, the primary aim has to be a single EU labour market where there are no winners or losers, for the EU to become the most competitive economy by 2010.

26 November 2004

Morning Plenary session

The second day of the meeting started with a report back from the three thematic workshops of the previous day (see above for details of the content of the three thematic workshops).

Guido Vanderseypen (European Commission) presented information on EU policy developments that are relevant to the work of the EEO and also looked at the medium term outlook for the Observatory. In terms of policy context, the importance of thinking how events such as the MISEP meeting contribute to the European Employment Strategy (EES), was emphasized. Mr Vanderseypen noted that the EEO is an important tool for monitoring the progress of the EES in terms of the exchange of good practices and the input of information from stakeholders. The MISEP meetings allow public officials to disseminate their policy developments to other European countries, while SYSDem activities such as the NAP assessments are very useful to the Commission.

In terms of the policy agenda, the European Employment Task Force report of November 2003 outlined four priorities for the EES: adaptability; making work pay and thus attracting more people to the labour market; life long learning and the investment in human resources and labour supply; and finally, better governance by means of mutual learning and the involvement of all stakeholders. The 2003 EETF report was followed up in November 2004 with a report by Wim Kok, the chairman of the EETF, titled 'Facing the Challenge'. The report called for a stronger implementation and monitoring of the Lisbon agenda in order to make a better attempt to meet the Lisbon agenda and targets.

It is in this context that the EEO contributes to the EES, alongside the Mutual Learning Programme (MLP), a new take on the current Peer Review Programme. Much like the EEO, the work of the MLP has thematic focuses which tie in with the themes and agenda of the EES. In the coming years, the MLP will focus on the first three themes of the 2003 EETF report and will conduct seminars and meetings along these themes. There are definite synergies between the EEO and MLP in that both activities are outsourced, have simultaneous contract renewal dates and very similar content.

Mr Vanderseypen went on to look at the future of the EEO and gave an overview of work completed by both the MISEP and SYSDem networks over the past year. He also pointed out that there would be certain changes to the structure of the EEO in the coming contractual period, as described in the specifications published in the context of the tendering procedure for the EEO and MLP. The presentation was followed by questions and comments from the MISEP correspondents.

EEO network services presented progress in the work of the Observatory over the past six months.

Tina Weber (EEO network services, ECOTEC) presented EEO activities since April 2004 and pointed out that the current EEO contract for ECOTEC ends in early January 2005. Delegates were reminded that all EEO publications are available on the EEO website www.eu-employment-observatory.net.

EEO activities since April 2004 included:

- Work on BIR updates
- Production of the EEO Monthly Newsletter
- SYSDM quarterly updates and synthesis report
- Continuous update of the website, monthly newsletter and quarterly labour market updates
- The SYSDM experts from all EU 25 countries were asked to assist the European Commission with the NAP analysis in Autumn 2004
- Publication of the EEO Review, the six-monthly publication whose first section outlines main policies adopted in the previous 6 months, based on articles supplied by the MISEP network. The second section of the Review includes articles prepared by the SYSDM network on a chosen theme. The Spring 2004 edition on “quality in work” was recently published, while the Autumn 2004 edition (the last edition for this period) on the theme of ‘undeclared work’ is in preparation.
- Production of the report related to the Dublin MISEP meeting and assistance in organising the Santpoort MISEP meeting

Following this plenary session, the participants were split into three workshops in order to discuss recent developments in national employment policies and measures.

Day 2 Workshops – Recent labour market and employment policy developments

The Belgium MISEP correspondent talked about federal social partners negotiating a interprofessional agreement 2005-2006 (agreement on wages and working conditions in the private sector) and about recent policy initiatives including the new follow-up system for the unemployed which came into force on 1 July 2004 and the new measures for supporting companies that are going through restructuring which encourage all parties involved to make all possible efforts for re-employing employees that were made redundant.

The Bulgarian MISEP expert provided a summary of recent labour market developments in 2004, before describing the results of recent active labour market policies developed through the National Action Plan for Employment 2004 and the national programme “From Social Assistance to Employment”. New funding for adult vocational training is also highlighted, as part of a drive to increase the level of qualifications in the labour force.

Cyprus presented information from its first National Action Plan for Employment as well as the Cypriot Human Resource Development Agency’s Strategic Plan for HR development.

The Czech Republic provided some recent labour market data and information on some key publications which are accessible through the Ministry’s website. The recent labour market situation is generally favourable, showing an increase in overall number of active persons, and a decrease in the unemployment rate.

Denmark presented the reform of its employment system which places significant emphasis on a decentralised one-string system, greater use of the private sector to support unemployed job seekers and programmes to support ageing workers and reduce fraud and undeclared work. A new ‘employability profiling tool box’ used by the PES to better provide targeted assistance to job seekers.

Estonia summarised the trends relating to employment and unemployment in 2003, before presenting the new Labour Market Strategy of Estonia, which aims to increase expenditure on labour market policy significantly, particularly in relation to active measures.

Finland’s presentation focussed on measures aimed at encouraging small business formation and entrepreneurship, included in the budget proposal for 2005 from the Ministry of Labour. The key targets for the Ministry are to reduce structural unemployment and improve opportunities for young people as well as the availability of skilled labour.

France provided information on the measures contained in the recently adopted new Social Cohesion Plan. The plan and the accompanying legislation represents the cornerstone of public policy regarding employment and the fight against exclusion.

Greece talked about recent labour market indicators, since the proportion of the working age population in work has recently shown an increase, reversing a negative trend that had been prevalent for several years. However, youth employment rates remain relatively low, and a considerable gender gap remains in terms of employment but statistics indicate a slight decrease in the unemployment rate.

Germany spoke about the recent reform of the German Employment Agency, the Bundesagentur für Arbeit. The reform aims to move the agency towards more efficiency and effectiveness for the clients and has been both a complicated and an emotional reform.

Hungary discussed the challenges facing the Hungarian labour market, against a background of an expanding economy. The employment rate is the lowest in the EU, however, unemployment remains relatively stable, and salaries show signs of increasing.

The MISEP correspondent from Iceland discussed recent trends in the Icelandic economy, which has been showing positive growth over a long period, before looking at recent measures to tackle youth unemployment and long term unemployment, among other initiatives.

Ireland emphasised the success of its Local Employment Services Networks and changes in its legislation governing retirement. Recent labour market developments in the Irish economy in 2004 with continued GDP and employment growth, low unemployment and strong labour force participation were also briefly covered.

Italy provided a summary of positive labour market trends in 2004 including higher levels of employment, more stability and the development of contract types which better meet the needs of workers, especially female workers. A review of recent active labour market measures was also provided.

Latvia provided an update on the positive economic progress which has been made following integration into the EU and associated recent reforms. GDP growth has had a positive impact on the labour market with an increasing employment rate and decreasing unemployment rate, however important regional differences remain.

Lithuania provided a detailed summary of recent laws and policies taken forward in the country, including laws relating to the Social Insurance of Unemployment, the Legal Status of Aliens, Social Enterprise, and the National Strategy on Overcoming the Effects of Ageing.

Luxembourg presented information from the STATEC report of October 2004, on economic and labour market indicators

The Netherlands presented thoughts around the future of work and of the social security system. As it is anticipated that by 2040, 10 workers will be supporting 6 non-active people, it is necessary to aim for an ideal combination of a good social security system, combined with labour market flexibility and strong active labour market policies.

Norway emphasised new measures aimed at activating the inactive population and at finding more employment opportunities for part time workers keen to work longer hours.

Poland presented a range of new active labour market policy measures from its NAP aimed at integrating particular target groups such as older workers, the long term unemployed and young people. New developments include the promotion of active and preventative measures to tackle unemployment, measures to reduce discrimination on the labour market, guidelines on adaptability and mobility within the labour market, and new measures for people on pre-retirement benefits.

Portugal provided an update on ongoing actions in relations to recommendations made by the European Commission on the National Action Plan for Employment and described the ongoing actions taken to address these recommendations.

Romania described the process of developing and approving the 2004-2005 National Action Plan for Employment (NAPE), and the National Employment Strategy 2004-2010. The priorities for the National Employment Strategy 2004-2010 are listed in detail.

Spain gave a brief update on the 2004 Social Dialogue declaration on competitiveness, employment and social cohesion.

Sweden summarised recent developments in the Swedish labour market, describing rising unemployment in the first half of 2004 which has started to slow down in recent months. Other issues covered include rising business profits, and the need for a strong national framework on wage formation. The presentation from Sweden's PES emphasized that the main emphasis has been on "making people work". To this end the PES has been developing policies to make their services more accessible and how to improve contact with job seekers.

Turkey gave an overview of the current labour market situation and a update of new labour market policy measures, including the re-organisation of the Public Employment Services.

Closing plenary session

The closing plenary session for the meeting was chaired by **Lauris Beets** (Director of International Affairs, Ministry of Social Affairs and Employment) and involved a lively discussion about potential future themes for MISEP meetings. Participants in all workshops of that afternoon had already come up with themes that may be of interest for future discussion. The ideas floated included balancing labour supply and demand; the monitoring and evaluation of labour market policies, focusing on concrete evaluations; the delivery of employment services at a local level; the development of an individualised approach to labour market policies; and addressing long term sickness and absenteeism whilst increasing participation rates for people with disabilities. After a brief discussion over the themes and an informal vote, it was apparent that a majority of participants found the theme of making work pay and the relationship between poverty and wages, the most interesting for future consideration.