



# **The Employment Package: Opportunities for the Youth**

**Santiago Loranca Garcia,  
Head of Unit - European Employment Strategy  
Nicosia, 22<sup>nd</sup> October 2012**

# What is the Employment Package?

A **medium-term agenda** for EU and Member States. It lays down proposals for **employment to be a driver for growth**, by:

- Triggering job creation by **stimulating labour demand** through well-designed measures
- Outlining **balanced reforms** to make EU labour markets more inclusive, dynamic, competitive and resilient
- Underlining the importance of **investing in skills** policies to **enhance workforce mobility** and adaptability prospects
- **Strengthening** the employment & social dimension in **EU governance**, by involving Social Partners more closely in decision making



# How does it link to the European Semester?

- **It complements** the employment priorities of the AGS with medium-term policy guidance to Member States
- **It answers** the EU's 2012 AGS call for resolute action to step up job creation and ensure a job-intensive recovery
- **It builds upon** the Employment Guidelines and 2020 Flagship Initiatives by setting out actions requiring particular attention
- **It responds** to the call from the European Council (Dec 2011) to back up the new economic governance with a closer monitoring of employment and social policy

# The Employment Package

# Three Overarching Goals:

A. Supporting Job Creation

B. Restoring the Dynamics of Labour Markets

C. Enhancing EU Governance

# Supporting Job Creation

# 1. Stimulate labour demand

- Targeting hiring subsidies towards **new net recruitment**
- **Reducing the tax wedge** on labour and shift to other sources of taxation
- Promoting and supporting **self-employment**, social enterprises and business start-ups
- Transforming **informal or undeclared work** into regular employment
- **Boost 'take home'** pay to encourage the take-up of work (in-work benefits)
- Modernise wage-setting systems to **align wages with productivity developments** and support aggregate demand

## 2. Exploiting the potential of job-rich sectors

- **Green economy:** Embrace **green growth** and move towards **low-carbon and resource efficiency** economies
- **Healthcare Sector:** Perceive **demographic** changes as an **opportunity** for boosting jobs in healthcare
- **ICT Sector:** Reap the **pervasiveness and growth** of ICT for users, practitioners and firms



# Investing in specific skills

- **European Skills Panorama** for green, health, and ICT careers;
- **Standardised Skills Certification** for green and ICT industries
- **European Skills Alliances**: better integration between education/training providers and employers especially in the healthcare sector
- **Skills forecasting** and workforce **planning** under the Health Programme

## 3. Mobilise EU funds for Job Creation

Programme period: 2014-2020

- **Align and coordinate** Cohesion Policy funds; ESF & ERDF
- **Extend and widen** scope of European Microfinance Facility & European Globalisation Fund
- **Better exploit** job creation potential of Agricultural & Fisheries Funds

# Restoring Labour Market Dynamics

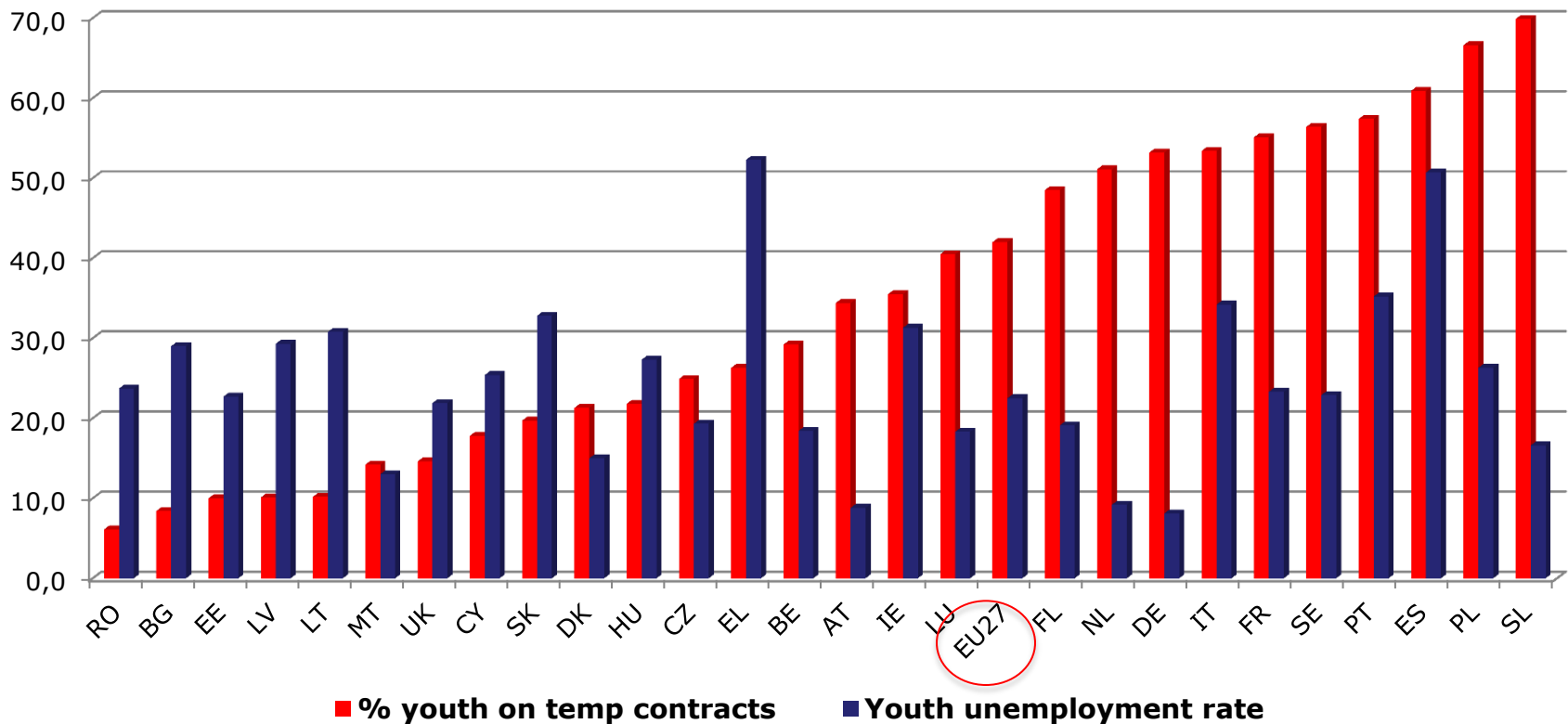
# 1. Balanced Labour Market Reforms

Secure **inclusive transitions**, by:

- **internal flexibility** to reduce insecurity and fiscal costs
- Guaranteeing **decent and sustainable wages** and avoiding low-wage traps
- Developing a **mutual responsibilities culture** vis-à-vis the use of benefits
- Combatting labour market **segmentation** through adequate contractual arrangements
- **Anticipate** economic restructuring
- **Developing lifelong learning** policies as a key to employment security
- Delivering employment **opportunities for youth**

# 42% of EU youth on temporary work

% of youth on temporary employment and youth unemployment rate – 2012



# Youth Employment Package

Specific action by the Commission in favour of the youth:

- *Proposal for a Council Recommendation on a **Quality Framework for Traineeships***
- *Proposal for a Council Recommendation on **Youth Guarantees***
- *Developing further action to disseminate **good practice** and promote debate with respect to Transnational Company Agreements*
- *a **European action plan for the delivery of relevant and effective employment services***

## 2. Investing in Skills

Tackling the deteriorating job matching process

a) a **better monitoring** of skills needs: the **EU Skills Panorama**

b) Improved **recognition of skills and qualifications**: stepping up the **European Qualifications Framework**, modernise the **Professional Qualifications Directive**

c) Strengthening **synergies** between the worlds of education and work: the **EU Skills Passport**;

d) Tighter **cooperation** between all labour market stakeholders

## 3. A European Labour Market

- Removing legal, and practical **obstacles** to free movement of workers
- Enhancing **matching** of jobs and job-seekers across borders
- Considering impacts of EU inward and outward **migration**



# Forthcoming actions

## Removing Obstacles:

- Support mobile workers with information and advice
- MS to **reconsider existing restriction** on free labour market access
- Facilitating access by EU nationals to **public sector posts**
- New impetus to the **Pension Portability Directive** and **unemployment benefits** exportability

## Job Matching

- Call to MS to improve their **use of EURES** (systematic access to and exchange of vacancies)

# Enhance EU Governance

## 1. Enhanced multilateral surveillance

- Closer reporting in **National Job Plans**
- Strengthened **Peer Pressure** at EU level
- **Labour Market Monitoring** system

## 2. Reinforced involvement of Social Partners

- **consultation and coordination** ahead of European Semester cycles
- EU tripartite format for **monitoring and exchanges** on wage developments

## 3. Better use of funds

- **Multiannual Financial Framework** (2014-2020) to invest in human capital
- **Enhanced coordination** of ESF and all other European Funds
- Reassess **national budgetary priorities** accordingly

# Concluding Remarks

- The Employment Package presents a **new focus, approach and proposals** to fuel labour demand **generally** and with regard to **3 key sectors**
- It design EU actions aimed at **inclusive job recovery**
- It puts **young people** as priority target group for policies
- It insists on **skills investment** as key for quality jobs
- It keeps up the pace of **flexicurity reforms** for upward transitions
- It proposes to involve the **Social Partners** more closely in setting priorities at EU and national levels
- It firmly **strengthens** EU employment and social policy governance
- It **invites the Council** to adopt an ambitious approach in support of job creation and balanced labour market reforms



# Thank You!

**Santiago Loranca Garcia**

*DG Employment, Social Affairs and Inclusion  
Head of Unit – European Employment Strategy*