



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 18 May 2009

10093/09

**SOC 352
ECOFIN 385**

NOTE

from : Presidency

to : Delegations

Subject : Main messages from the informal Employment Summit

Delegations will find attached, for information, the Main Messages presented by the Presidency at the conclusion of the informal Employment Summit held in Prague on 7 May 2009.

Employment Summit, 7 May 2009, Main messages

The Employment Summit was held in Prague to assess the impact of the current financial and economic crisis on employment, to identify good practices in mitigating the worst effects of the crisis, to improve the employment situation to the future, to stimulate coordination between the Union, its Member States and social partners, and to contribute to the forthcoming June European Council.

The Summit and the preparatory workshops held in Madrid, Stockholm and Prague have shown the importance of working in partnership to alleviate the worst effects of the crisis and turn it into an opportunity for transforming Europe into a competitive, inclusive, innovative and eco-efficient economy with a high potential for future growth, employment and social protection.

Even at a time of economic downturn, we are determined to pursue policies which help deliver these ambitions. The Union and its Member States must assert their will to put people at the centre of their recovery plans and use the current crisis as an accelerator for improving the entrepreneurial environment in Europe. We must protect the most vulnerable, prevent immediate job losses from turning into long-term unemployment, and preserve the longer-term objective of combating the effects of demographic ageing and declining work force.

While taking into account the specific circumstances of each Member State, the Union's response to the crisis should be guided by the following principles:

- It should be based on a coordinated approach integrating economic, employment and social policies at all levels and preventing protectionism both inside and outside the EU.
- It should pave the way to sustainable recovery, through the reinforced implementation of necessary structural reforms, including balanced flexicurity strategies, aimed at strengthening the EU's competitiveness and growth potential and modernising social protection systems.

- It should be consistent with the long-term objectives of the Union, such as high levels of employment and quality jobs and the long-term sustainability of public finances, while respecting the principles of the Single Market and the European social models.
- It should mobilise all available national and Community instruments and fully integrate growth, employment, solidarity, social protection and inclusion strategies.
- It should seek and systematically monitor the effectiveness and efficiency of short-term measures, step up the implementation of all agreed measures, and promote mutual learning, dissemination of good practices and social innovation.

The future Lisbon strategy should be focused on well-defined goals, relevant to European citizens, it should be reinforced to deliver sustainable growth, social cohesion and more and better jobs, ensuring long term sound public finances and modern social protection systems.

In this difficult economic context, the EU must especially aim to:

- Maintain employment and create jobs
- Increase access to employment, particularly for the young
- Upgrade skills, match labour market needs and promote mobility

The preparatory workshops and today's Summit have shown how concrete steps can make a difference in pursuing these three goals. The measures identified by Member States and social partners are already proving their worth in many parts of the Union; our aim now is to see them applied more widely.

We have found common ground on the 10 following concrete actions, which could help alleviate the employment and social consequences of the crisis and put the Union in a better position when the economy picks up again.

At National level:

1. Actions by Member States and social partners must aim at maintaining as many people as possible in jobs. To this end, a temporary adjustment of working hours can be an effective policy option for firms of all sizes, with the support of public funding including the European Social Fund (ESF); it can be an opportunity for re-training to facilitate internal job transfers or transitions to other companies and/or sectors in line with flexicurity.
2. Further efforts are needed to create a friendly environment for entrepreneurship and job creation, e.g. by lowering non-wage labour costs, investing in research and infrastructure, reducing administrative burdens, better regulation and addressing rigidities in the labour market through the EU common principles of flexicurity. Particular attention should be paid to the specific situation of SMEs, for example by ensuring that the re-training of their personnel is affordable and targeted.
3. Action by Member States must aim at improving the efficiency of national employment services. Early and effective active labour market measures should be tailored to individual needs, focusing especially on avoiding long-term unemployment and social exclusion. To this end, in the first weeks and months of unemployment, programmes should provide intensive counselling, training and job search. Every person who has lost their job, and every job seeker, should as quickly as possible receive support to (re-)join the labour market, or appropriate training, especially the young unemployed under 24 years of age.
4. Member States and social partners should agree to increase significantly the number of high quality apprentice and traineeship places available by the end of 2009.

5. Member States, working in partnership with the social partners and the Commission should focus on increasing the labour supply by promoting more inclusive labour markets and increasing access to employment. This should be done by ensuring strong work incentives, effective active labour market policies and modernisation of social protection systems, in line with the common principles of social inclusion. This will also improve the chances of disadvantaged groups to succeed in the labour market and a better integration of third country nationals.
6. Member States should intensify action to upgrade skills at all levels, including the low-skilled and the disadvantaged, and to prevent young people leaving school without the necessary skills to get a sustainable job.
7. Full labour mobility will improve matching on the labour market and enable people to fully use their potential. Free movement of workers contributes to economic growth without negative impacts on labour markets and social cohesion of destination countries. Professional mobility should be strengthened by combining flexibility with income and employment security: “make transition pay.” Furthermore, an enhanced implementation and enforcement of the Posted Workers Directive should be pursued, mainly through a better application of the Community acquis, better administrative cooperation, the promotion of dialogue between stakeholders, and the identification of enforcement problems.

At European level:

8. A major initiative by the Commission, in partnership with Member States and social partners, to identify job opportunities and emerging skills requirements across Europe, and improve skills forecasting, in line with the New Skills for New Jobs agenda.
9. Innovative approaches by the EU, Member States and social partners to assist the unemployed and young people in starting their own business on a sustainable basis (for example, by providing business support training and starting capital, or by lowering or eliminating taxation on start-ups). The European Social Fund, European the Regional Development Fund and EIB financial resources should be fully exploited for this purpose.

10. Mutual learning and the exchange of good practice on the anticipation and management of restructuring should be promoted by the Commission, Member States and social partners working together. This should build on the existing legal framework, aiming to promote wherever appropriate sectoral partnerships and to limit the employment and social impact of the crisis.

To support the effective implementation of these 10 actions, national as well as European Union instruments such as the Social, the Regional Development and the Globalisation Adjustment Funds should be used to the full. The recent simplification of the EU financing instruments - in particular the European Social Fund and the European Globalisation Adjustment Fund – will facilitate this contribution. Newly adopted measures should be swiftly implemented, including co-financing and legislative measures on national level.

ESF interventions should provide dedicated assistance for disadvantaged groups, such as persons with disabilities, young people, ethnic minorities and the long-term unemployed, to help them integrate into society and make them as economically independent as possible. Particular emphasis should be given to mutual learning and exchange of experience on measures to maintain and create employment, and on the implementation of the active inclusion principles.

The Commission will make proposals in support of the three priorities and of the concrete actions identified by this Summit taking account of the Joint Work Programme of the social partners in time for the June European Council, including on the best ways to mobilise Community instruments, particularly the ESF.