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**NOTE**

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from: The Employment Committee  
to: Permanent Representatives Committee (Part I) / Council (EPSCO)  
Subject: **Making transitions pay**  
**- EMCO Opinion**

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Delegations will find attached an Opinion by the Employment Committee, as finalised by the EMCO on 5-6 October 2010 and presented with a view to the session of the Council (EPSCO) on 21 October 2010.



# The Employment Committee

## MAKING TRANSITIONS PAY

### EMCO OPINION

Rapid technological, demographic, environmental and societal changes are triggering frequent, faster and more complex labour market transitions between different jobs, occupation, sectors and employment statuses. Transitions offer new opportunities for skills development and enhanced employability but, as the crisis has underlined, also new risks, potentially leading to income loss, periods of unemployment, deskilling and social exclusion. Facilitating transitions is also a way to boost productivity and the competitiveness of the European economy.

Making transitions pay is essential to provide people with the necessary security to accept and better cope with the need of being mobile and to reach the EU headline employment target. It implies reaching levels of labour mobility characterised by a high share of voluntary jobs shifts, and upward occupational mobility indicated by a high share of job shifts that require new or different skills. It also puts an emphasis on individual trajectories built through a succession of positive transitions and leading to more job and life quality. Stimulating job creation is paramount for creating more positive transitions and thus making transitions pay.

### **A life cycle approach to labour market transitions**

Making transitions pay fosters a simultaneous and explicit management of all kind of transitions along a life cycle approach. The management of transitions should not result in punctual matching to any simple job at a given moment in time but instead focus on sustainable moves over the life course. A life cycle approach to positive transitions for women and men should ensure easily re-entering into the labour market after a period devoted to care of family dependants or studies, moving from unemployment to employment, from education and training to employment or moving between jobs throughout the lifetime.

Among the age groups, particular attention should be given to transitions experienced by young people. They face particular difficulties to enter in the labour market and start a career. Measures to reduce high youth unemployment and raise youth employment rates should cover in an integrated manner the sequence of steps for young people in the transition from education into work and offer support for those who risk dropping out from education and training and employment. The Committee welcomes the “framework for youth employment” presented in the flagship initiative “Youth on the Move”<sup>1</sup>. It sets orientations to ensure that young people can shape their employment future, in line with their aspirations avoiding risks of downward mobility.

Older workers are also prone to live the risks borne by transitions resulting from economic restructuring, namely unemployment and income loss and social exclusion. Measures to support their re-skilling and up-skilling are essential to raise their employability, ease their transition to new sectors and occupations and avoid early exits from the labour market. In this respect the Committee welcomes the European Year for active ageing.

### **Conditions to "making transitions pay"**

The following interlinked conditions are considered crucial for making transitions pay:

- *Labour market transparency and accessibility* of information for all enabling individuals to make informed training, job search and career choices.
- *Training opportunities for all*, including the low skilled, favouring the acquisition of the right skills and progress in their working lives. The offer of training must also respond to the needs of the labour market, be timely, efficient, easily accessible, relevant and of quality.
- *Flexible work organisations* capable of both quickly satisfying production needs and providing for conciliation of work and private responsibilities of workers.

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<sup>1</sup> COM(2010) 477 final of 15 September 2010

- *Secured and adequate social rights* during periods of transitions, providing confidence to move in and out of work and act as springboards into employment, re-employment and self-employment.
- *Accessible intermediation and career guidance services*, including access for all to job vacancies published throughout the European Union.
- *Progress of workers into decent and quality jobs* as an important principle for effective activation.

These conditions should be assured through an integrated flexicurity approach at national level, combining the four components of flexicurity, with incentives to reduce unemployment and inactivity traps and should also support workers along the career path, in particular those in precarious situations.

### **Partnerships to “making transitions pay”**

Well functioning partnerships of all relevant labour market stakeholders, including employment services, social security services, education and training providers and social partners, are vital to ensure complementarity of services and truly manage careers. With a wide territorial coverage and implementing most of the measures which “make transitions pay”, public employment services are in a central position to act as transition agencies and develop these partnerships.

Those actors may also need to adapt and extend their existing service provision in order to support increased numbers of transitions and reach out to new client groups. In particular, employment services should reinforce their services to companies and, when appropriate, progressively expand their client base, reaching out not only to those in unemployment or outside of the labour market but also those asking support to change jobs. Career guidance to all those engaged in learning activities should be ensured.

## Next steps

EMCO invites the Commission to embrace fully the objective of making transitions pay, in particular in the forthcoming flagship initiative 'New Skills and Jobs' and Member States to reflect it in their employment policies, in particular in national flexicurity approaches.

EMCO also encourages the Commission to work within the European network of public employment services to contribute to making transitions pay and to share information and analysis on their best practices with the Committee.

EMCO invites the Commission, in particular Eurostat, to develop, in cooperation with the Committee and Member States longitudinal monitoring tools to measure the outcomes of transitions in individuals' career paths, within a gender mainstreaming perspective.