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**Overview of main activities undertaken under Employment Incentive Measures (EIM)
Programme**

accompanying the

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**on the Final Report on Community incentive measures in the field of employment (EIM
Programme 2002-2006)**

{COM(2008) 328 final}

INTRODUCTION

The activities, as stipulated by Article 2 of the EIM Decision¹, were launched with the aim of contributing to the achievement of the goal of the Lisbon Strategy to re-establish the conditions for full employment, or more precisely, in accordance with Article 3, to:

- *underpin a coordinated approach to the employment policy in the Community within the overall aim of raising the employment rate set out by the European Council at Lisbon;*
- *contribute to the development of a coordinated strategy for employment through analysis, monitoring and support of actions carried out in the Member States (MS), with due regard for the latter's responsibilities in this field;*
- *develop, follow up and evaluate the European Employment Strategy (EES) with a strong forward-looking emphasis;*
- *foster cooperation between MS in analysis, research and monitoring of labour market policies;*
- *identify best practices and promote exchanges and transfers of information and experience;*
- *develop the approach and contents of the EES, including ways of cooperating with the social partners and relevant local and regional authorities; and*
- *implement an active information policy responding to the public's need for transparency and recognising the importance of ensuring that European citizens can be fully informed on all aspects of the EES;*

The analysis in the context of these activities shall to the maximum possible extent be gender specific.

The report COM(2008) ... reviews the overall implementation of the activities² foreseen by the EIM Decision. This overview gives detailed information on the following EIM project categories:

Part A: Statistical work and development of indicators;

Part B: Analyses, studies and surveys (includes conferences to present study results)

Part C: Activities launched in the framework of European Year of Workers' Mobility (EYWM)³

Part D: Local Employment Development (LED)⁴ projects

Part E: Networking

¹ 1145/2002/EC of 10 June 2002

² http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm

³ http://ec.europa.eu/employment_social/workersmobility_2006/index.cfm?language=EN

⁴ http://ec.europa.eu/employment_social/local_employment/index_en.htm

A. STATISTICAL WORK AND DEVELOPMENT OF INDICATORS

In the context of statistical work and the development of indicators, important projects to be mentioned are among others the ones sub-delegated to Eurostat⁵.

(1) Labour Force Survey (LFS) ad hoc modules:

- Lifelong learning, completed in 2003
- Work organisation and working time arrangements, completed in 2004
- Reconciliation of work and family life, completed in 2005
- Transition from work into retirement, completed in 2006

The ad hoc LFS modules from 2003 to 2006 were all financed by the EIM, which has not only made information available on the above-mentioned specific issues, but has also linked this information with the core data in the LFS.

Pilot studies to prepare for the 2008 LFS ad hoc module on the labour market (LM) situation of migrants and their immediate descendants were subject to a Call for Proposals under the EIM in 2006. Grants were awarded for a) the improvement of the response rate of non-nationals/migrants in the LFS, the coverage of newly arrived migrants, and the coherence between LFS data on migrants and register or census data; b) the identification of seasonal patterns on the number of specific sub-groups of migrants; and c) quality issues, such as study if nationality at birth is used as a proxy of country of birth. The actual survey is being financed under PROGRESS.

(2) Labour Market Policy (LMP) Database:

Actions launched under EIM in 2002 aiming at harmonising the methodology and improving the data submitted to the LMP database on public expenditure and participants in active and passive LMP measures, as well as qualitative information for the description of policy measures and metadata. The LMP database is useful for the monitoring of employment policies in the EES. The project continues under the framework of PROGRESS, with a view to including all the MS.

(3) Job Vacancy Statistics:

Project launched under EIM in 2003 and aiming at collecting and developing annual and quarterly data on job vacancies. Since 2005, Eurostat has also worked on the legal basis for the implementation of quarterly statistics on job vacancies. The framework Regulation was adopted by the Council in February 2008 and will soon enter into force. 23 countries now provide quarterly statistics and more than half of the MS provide annual statistics. This project will also continue under the PROGRESS programme⁶.

(4) Integrated system of earnings and labour cost statistics:

Based on the work already ongoing under the Regulation (EC) 530/1999 concerning structural statistics on earnings and on labour costs, this project was introduced in 2003 and aims at producing a coherent set of earnings and labour cost statistics in terms of concepts and definitions in the data collected on a short-term, annual and a four-year basis. An important

5 http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1090,30070682,1090_33076576&_dad=portal&_schema=PORTAL

6 http://ec.europa.eu/employment_social/progress/index_en.html

element of the integrated system has been the improvement of the overall coverage of economic activities and the coherence with the other business statistics and national accounts.

(5) Ad-hoc business and consumer survey on the performance of the EU LM⁷:

Project held in the framework of the Joint Harmonised EU Programme of Business and Consumer Surveys managed by the Economic and Financial Affairs DG (ECFIN)⁸. Results provide e.g. details on employers' and employees' opinions on forms of working arrangements. They furthermore give an additional basis for the formulation of employment policy objectives.

For some larger Eurostat projects, the data were not yet available for all countries at the time this Communication was written. Such a project is for example the Continuous Vocational Training Survey (CVTS), which is the only source that provides internationally comparable statistical data and indicators on continuing vocational training in enterprises and related aspects of lifelong learning (LLL) to the MS, the Candidate Countries (CC) and the EFTA/EEA countries.

Still in progress is also the Adult Education Survey (AES), which was launched in 2005 with a view to helping the MS to cover their costs incurred in connection with the collection, processing and transmission of data on adult learning. AES is a 3-year project to be implemented by the MS between 2005 and 2007. The data will be published in two parts as they are arriving gradually. The first data set should be published in 2008 and the final and complete publication is foreseen by 2009.

The EIM support to the statistical work carried out by Eurostat benefited to the work of the Employment Committee (EMCO) working group on indicators in the following areas⁹: prevention and activation, vacancies, childcare, unemployment and poverty (low wage) traps, gender pay gap and regional disparities. Work was also initiated on care for the elderly, inactivity traps, undeclared work, efficiency of employment services and governance. These indicators are most relevant to policy developments in the context of the EES.

Among projects under the management of the Employment, Social Affairs and Equal Opportunities DG (DG EMPL), an important project is the Public Employment Services (PES)¹⁰ Expert Group on Vacancies, which was created in 2001 in the context of the activities developed within the European PES Network. Since then, experts from 15 PES in the EU and EFTA/EEA have contributed to the establishment of the European PES Vacancy Monitor (EPVM) by submitting their data on vacancy stocks and notifications on a regular basis. While the process of collecting time series from each PES is not yet complete, there is now sufficient data available in the EPVM to demonstrate the potential of the monitor for deriving comparative information on the LM activities of the European PES. Consequently, the Expert Group has taken the decision to issue a limited number of short bulletins on developments in the vacancy business of European PES, based on an analysis of the EPVM data.

There is a wide recognition of the key role PES played in the implementation of the EES, in particular when it comes to their preventative actions to reduce the inflows into long-term

⁷ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2006 (May 2006)

⁸ http://ec.europa.eu/economy_finance/index_en.htm

⁹ For some indicators, cooperation was established with other Community programmes (e.g. gender equality)

¹⁰ http://ec.europa.eu/employment_social/employment_strategy/pub_empl_services_en.htm

employment and to improve access to jobs and relevant skills for disadvantaged groups. The role of PES in processing job vacancies¹¹ was addressed in a study, which brought together information required for an appropriate comparative interpretation of the quarterly statistical data the national PES produce for the EPVM. The study collected wider comparative information on the working methods that national PES use in processing vacancies. Three relating seminars on profiling instruments and PES approaches to the unemployed and long-term unemployment were organised in 2004, 2005 and 2006.

The annual publication "Employment in Europe" report¹², which is mainly based on statistics from Eurostat's data sources, was funded by EIM throughout the whole programme period is further dealt with below in Part B "Analyses, studies and surveys".

B. ANALYSES, STUDIES AND SURVEYS

In the area of analysis and research, the "Employment in Europe" report presented, on a yearly basis, a quantitative analysis of employment trends and policies in the Union, which was informed by EIM LM studies and statistical projects. The themes and topics covered by these studies included Active Labour Market Policies (ALMP) and "making work pay"; health and quality in work; skills and human capital; disadvantaged groups; enlargement; restructuring; migration; business dynamics and employment performance; the role of PES; and surveys.

B.1 ALMP and "making work pay"

A study was launched on the "Effectiveness and impact of ALMPs"¹³ and attention was given to the synergy between employment policy and other community policies. This study draws systematic conclusions and derives policy recommendations from the available cross-country evidence on ALMP effectiveness. Among different analyses, this study draws systematic lessons from more than 100 evaluations that have been conducted on ALMPs in Europe. The picture that emerges from the quantitative analysis is surprisingly clear-cut. Once the type of programme is taken into account, the analysis shows that there is little systematic relationship between programme effectiveness and a host of contextual factors, including the country or time period when it was implemented, the macroeconomic environment, and a variety of indicators for institutional features of the labour market.

A study on "Benefit systems and their interaction with ALMPs"¹⁴ was concluded in 2004, which focused on the way in which benefit schemes interact with ALMP. It demonstrated the interest and scope for improving the effectiveness of activation policies. A second study on the same theme but which addressed the new MS only was launched in 2006. The final results of this study are expected to be available in 2008.

The joint EC-OECD survey on "Monitoring workers' coverage and benefits from mandatory funded schemes, employer provided occupational schemes and personal schemes in selected OECD and EU MS" was launched in 2006 as a follow-up of the 2005 survey on workers' coverage and benefits from employer provided/occupation plans in the EU MS. The OECD

¹¹ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2003 (November 2003)

¹² http://ec.europa.eu/employment_social/employment_analysis/employ_en.htm

¹³ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2005 (December 2005)

¹⁴ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2004 (February 2004)

will enlarge the sample size and extend the scope of the survey in order to develop a monitoring tool enabling the systematic collection of comparable historical data/information related to both funded statutory schemes, occupational and personal pension plans. The project will furthermore examine workers' pension coverage and plan rules (benefits, retirement ages, contributions, etc.) in selected OECD and all EU27 MS, focusing on new entrants and active/deferred members of pension schemes. The survey is still in progress.

B.2 Health and quality in work (incl. undeclared work)

The promotion of high quality in work is a central element of Europe's transition to a knowledge-based economy. It calls for improvements in several dimensions of quality in work: a good working environment for all; employee involvement and diversity at work; flexible work arrangements which promote better balance between working life and personal life; and health and safety at work. Most of these issues were dealt with by initiatives of the EIM. Based on analysis in the 2001 "Employment in Europe" report and the indicators adopted by EMCO, quality in work was well monitored both through the "Employment in Europe" and a Commission progress report¹⁵. The scope for a further harmonised indicator on the coverage of social security in atypical contracts¹⁶ was investigated. A major study on "Health and Quality in Work"¹⁷ analysed the relationship between different employment patterns and health outcomes including work on indicators in the EU, Japan and the US.

Working time flexibility is an important element of adaptability. During the impact evaluation of the EES carried out in 2002, no clear-cut empirical data could be found on the effect of working time on productivity and job creation. The study "Impact of working time"¹⁸ assessed this relationship, reviewed macro-economic theory and the theory of the firm in this respect, and documented a sufficiently large number of case studies in different EU countries and sectors. The aspects of integration in the LM under atypical contracts, gender effects and job quality were also taken into account. The study was conducted through a comparative literature review, which explored social scientific theory relating to working time, employment, productivity and job quality. This also included an overview of national legislative reforms on working time with 25 representative case studies on working time regulation and agreements covering the national and sector level, and company level.

The study on "Undeclared work in an enlarged Union"¹⁹ provided for the first time estimates on the extent of undeclared work in the MS of the EU-25, Bulgaria and Romania and presented examples of good practice to transform undeclared work into regular employment. Following the interest expressed by the EP, the gender dimension was taken into full consideration. The study was followed in 2005 by a feasibility study on the possibility and characteristics of a direct survey on undeclared work. The feasibility study was completed in 2007 and was followed up by a Eurobarometer survey financed PROGRESS, and the Communication COM(2007)628 "Stepping up the fight against undeclared work"²⁰.

¹⁵ COM(2003)728 of 12.11.2003, at the request of the 2003 Spring European Council

¹⁶ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm (April 2005)

¹⁷ http://ec.europa.eu/employment_social/employment_analysis/quality_sem05_en.htm

¹⁸ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2006 (November 2006)

¹⁹ http://ec.europa.eu/employment_social/employment_analysis/work_enlarg_en.htm

²⁰ http://ec.europa.eu/employment_social/employment_analysis/work_en.htm

B.3 Skills and human capital

The EES and the report from the Employment Taskforce in particular, have placed a renewed emphasis on the need to invest more and more effectively in human capital. The key to increasing such investment would be a more transparent and effective sharing of costs and responsibilities between public authorities, companies and individuals²¹. The two studies on "Human capital in a global and knowledge-based economy" assessed the link between human capital and growth at European (Part I), national (Part II) and regional level²². In September 2003, a joint EC-OECD Ministerial conference on "Human Capital, Employment, Productivity and Growth"²³ was held in Brussels to allow a better understanding of the usefulness for firms and individuals of human capital expenditures and of the obstacles to be overcome. It was followed up in December 2004 by another joint EC-OECD event "Human capital and LM performance: evidence and policy challenges"²⁴. The subject has also been discussed at the Presidential conference organised on 28 October 2003 (Milan) during the Italian Presidency of Council. The June 2004 Irish Presidency conference on investment in human capital furthermore focused on the promotion of enterprise training and brought together examples of good practice and experiences, particularly of employers, in the area of LLL and training. The conference addressed three themes: national experiences of enterprise training, company experience of enterprise training, and the role of innovation in training and policy.

A review of the range of instruments for the provision of incentives for work-based training was undertaken in the study "Instruments and incentives for promoting LLL"²⁵. The study assessed the efficiency and effectiveness of these policies in the MS and drew up policy recommendations in the area. It furthermore contributed to a better understanding of what works in practice and under which conditions these incentives are successful. The outcome of the study was presented in a Compendium of Good Practice and a main report, "Policy instruments to foster training of the employed". A second volume contains a summary and conclusions.

Finally, a qualitative survey study on "Human capital as a factor for growth and employment at regional level in conjunction with industrial restructuring" was launched in 2006 with the aim to provide policymakers with basic information required for the design of more effective strategies for a particular region, given its endogenous assets. It estimated to what extent human capital could contribute to economic growth to MS regions and in particular to those negatively affected by recent restructuring and outsourcing activities in the economy. This included examining the problem of return to employment of workers hit by industrial restructuring. The survey was conducted in 16 MS and aimed at identifying and evaluating competencies that help workers to find a new job and assessing the importance of non-sector specific skills. Some of the conclusions showed that qualities like doing one's work well, basic communication skills, flexibility and adaptation capacity were - predictably - recognised as key ingredients in today's labour markets. In their self-evaluation most interviewed

²¹ see also "Investing efficiently in education and training : an imperative for Europe", COM(2002) 779 final of 10.01.2003; "Education and Training 2010 – The success of the Lisbon strategy hinges upon urgent reforms", 2004 Joint Interim Report of the Council and the Commission

²² http://ec.europa.eu/employment_social/employment_analysis/human_en.htm

²³ http://ec.europa.eu/employment_social/news/2003/sep/human_capital_conference_en.html

²⁴ http://ec.europa.eu/employment_social/employment_analysis/human_sem_2004_en.htm

²⁵ http://ec.europa.eu/employment_social/incentive_measures/studies/lll_comp_en.pdf;

http://ec.europa.eu/employment_social/incentive_measures/studies/lll_main_rep_vol1_en.pdf;

http://ec.europa.eu/employment_social/incentive_measures/studies/lll_summary_vol2_en.pdf

workers, whether self-employed, unemployed or successfully reintegrated into a new job, reported all this as important.

The final report is expected to be published before Summer 2008.

B.4 Disadvantaged groups

As the new EES aims at strengthening the cohesion and inclusion dimension, the issue of promoting social inclusion was taken on board. The study on "Policies for involving the social partners in the integration of people at a disadvantage in the LM"²⁶ developed an appropriate conceptual framework of classification for policies and measures to increase the involvement of social partners with a view to integrating disadvantaged groups into the LM. It contained case studies from several MS (EU-25) and other non-EU countries, including existing evaluation material and illustrations of "what works in practice?", and identified the main strengths and weaknesses of current instruments and the main challenges to future policies. It concluded by highlighting the principal lessons emerging from the selected policies and pinpointed the implications for policy development in relation to the integration of disadvantaged people into the LM.

A critical part of the EES is the integration of a gender perspective into the EU's policies and programmes with specific actions in favour of women. The gender perspective was also taken into account in several of the EIM actions, such as work on indicators and statistics, the below-mentioned analysis of the gender gaps, the studies on undeclared work, the effectiveness of ALMP, the migration of women, just to mention a few. Gender mainstreaming was also subject to exchanges of good practice (peer reviews) and seminars and workshops. Analysis and research was carried out on the "Methodological issues related to the analysis of gender gaps in employment, earnings and career progression"²⁷, a project which included a workshop attended by experts on the issue in Brussels in September 2003.²⁸ The study served as a background for the Commission Services Working Paper, "Gender pay gaps in European LMs - Measurement, analysis and policy implications"²⁹.

Unemployment is no doubt the most serious LM problem for young people, but in order to get a full picture of the youth employment situation, the functioning of the LM has to be examined in a broad perspective. There are trends in quality and productivity at work which contribute to a growing LM segmentation where the young are often the outsiders or on the margins of the LM. The study "Pathway to work – current practices and future needs for the LM integration of young people" the results of which is foreseen to be published in Spring 2008, should provide a comprehensive and concise analysis of the main quantitative and qualitative trends in the employment situation of young people between 15-30 years old in the MS. It will also provide an analysis of MS policies addressing youth employment problems, identify successful policies in individual MS and formulate recommendations for improving young people's pathways to work in the future and to increase quality and productivity at work in a balanced flexicurity approach for the young.

²⁶ http://ec.europa.eu/employment_social/incentive_measures/studies/lm_integr_disadv_people_en.pdf

²⁷ http://ec.europa.eu/employment_social/employment_analysis/gender_index_en.htm

²⁸ http://ec.europa.eu/employment_social/employment_analysis/workshop_en.htm

²⁹ SEC(2003) 937, 04/09/2003

In the same context, the study "Ageing and employment: identification of good practices to increase job opportunities and maintain older workers in employment"³⁰ offered some reflections on the notion of good practice in the light of the research conducted, identified the factors that seem to contribute the most to the successful introduction and development of age management and the factors that seem to act as a barrier. It made some recommendations for action at European, national, company and individual level and informed the EES where the objective of active ageing is prominent.

B.5 Enlargement (incl. mobility)

The Enlargement was an issue of major interest for the EIM. Several studies analysed the impact of enlargement on employment and the LM. The study on the "Impact of economic and social integration on employment in the context of enlargement"³¹, addressed some of the challenges policy makers are faced with at regional, national and EU level. It contributed to the assessment of the employment impact of integration.

The countries of the EU, along with other economies in the world, are facing mounting pressure to respond to the challenges of globalisation and increased competition from newly industrialised markets. Worker mobility, through its two components, i.e. geographical and job mobility, should play an important role in meeting people's desire for better living and working conditions, and businesses' demands for rapid labour force adjustment to new and changing skills requirements. In its work programme for 2005, the EIM highlights the need to underpin the Commission's efforts to support mobility of workers, the objective of which is to strengthen the bases of the single European LM. The study "Empirical evidence on job and geographical mobility in the EU (migration flows)"³², which was finalised in 2006, highlights major aspects of geographical and job mobility in the EU from the mid-1980s up to the mid-2000s. Given data availability, a special focus was placed on the last decade. It furthermore constituted a background and an input for the "Employment in Europe" Report in 2006 and also an empirical basis for two larger follow-up studies on optimising geographic and job mobility in the EU, which were launched in the framework of the European Year of Workers Mobility (see Part C). The results of the last-mentioned studies will be available in 2008.

The study on "Industrial Restructuring in the Accession Countries (AC)" carried out an investigation of the industries and the skills requirements likely to be affected by restructuring. It also identified and analysed good practice and addressed the employment effects of foreign direct investment in the region. The main conclusion is that policies should facilitate and support structural change to alleviate its adverse effects on individuals who lose their jobs. They should also focus on those regions hit the hardest by declining activities, notably by supporting the creation of small and medium-sized enterprises (SME), encouraging foreign direct investment through marketing of locations and information about the regions, and developing infrastructure and human resources in remote regions. A well-attended seminar to discuss the findings in the draft report was organised in Brussels in September 2004 and the final report was made available in December the same year.³³

³⁰ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2006 (March 2006)

³¹ http://ec.europa.eu/employment_social/employment_analysis/impact_en.htm

³² http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2006 (June 2006)

³³ http://ec.europa.eu/employment_social/employment_analysis/restruct_sem_en.htm

B.6 Restructuring

In order to enhance the knowledge of the drivers behind large-scale restructuring and to collect examples of how to manage and possibly anticipate restructuring with the aim of preventing or reducing the negative employment effects thereof, the European Commission launched a project consisting of two major studies, "Restructuring in Europe: the anticipation of negative LM effects" and the "Case studies on the LM impact of large-scale economic restructuring", which were presented at the seminar "The role of public authorities in anticipating and managing LM effects of economic change and restructuring" in Brussels on 23 June 2006³⁴. The case studies assessed the situation in four countries, Finland, Poland, Portugal and Turkey.

The opening of the EU energy market has been phased in since the mid-1990s. The Lisbon European Council in March 2000 called for liberalisation to be speeded up to create a single market for electricity and gas. In 2003, two Directives were adopted setting deadlines for the full opening of the EU energy market (1 July 2004 for business customers and 1 July 2007 for households).

Beside the impetus for creating in the EU the largest integrated energy market in the world, several further EU legislative acts have been adopted in recent years that can be expected to affect the framework conditions of the energy market.

Further to a Commission study on the effects of the liberalisation of the electricity and gas sectors on employment in EU-15, published in October 2001³⁵, a more in-depth study was undertaken for the enlarged EU-27 and Turkey ("The impact on employment of the liberalisation of the EU electricity and gas sectors and any other Directives in the field of energy policy"³⁶). It was followed by a seminar and finalised in 2007. The study took into account the impact of all the key legislative acts related to the energy sector and resulted in comprehensive material about the employment changes in the electricity and gas sector both in respect to quantitative but also qualitative factors. It further showed that liberalisation has been accompanied by significant job cuts, but not all parts of the sector were affected in the same way. The study confirms also in this sector the general tendency towards more qualified employment, while there is no clear evidence for a link between training provision or working conditions on the one side and liberalisation on the other.

B.7 Migration

In 2003, a basic analysis of immigration and employment in the EU was published in the "Employment in Europe" report³⁷. It was updated in 2004, based on new Eurostat data, which allowed distinguishing 'foreign-born' from 'foreign nationals'. Further aspects of this issue were examined in studies financed under the EIM. The study on "Potential Migration from Central and Eastern Europe into the EU-15-An Update"³⁸ confirmed the results of the previous analysis on the subject and provided very useful insights on the current dynamics of immigration. It concludes that migration from the CEEC-12 to the EU might be lower than

³⁴ http://ec.europa.eu/employment_social/employment_analysis/restruct_sem06_en.htm

³⁵ http://europa.eu.int/comm/energy/electricity/publications/index_en.htm

³⁶ http://ec.europa.eu/employment_social/employment_analysis/restruct_lib_gas_el07_en.htm

³⁷ In accordance with the conclusions of the Thessaloniki Council calling for an accurate and objective analysis of migration and integration in Europe (§33 of Presidency Conclusions)

³⁸ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2003 (October 2003)

generally expected, both in the short and long run. In addition, five papers were prepared on "The contribution of immigration to labour supply and on the integration of immigrants into the LM and into society"³⁹, dealing with the efficient practices in the recruitment of migrants for economic activities; practices to promote the integration of migrants into the LM; ways to identify labour and skill shortages; the economic performance of the foreign-born and the LM performance of irregular and regularised workers.

In 2005, the study project "Gaining from migration"⁴⁰ was launched in cooperation with the OECD Development Centre. The objective was to join forces with OECD to deepen our understanding of the economic and social implications of migration while promoting a high-level dialogue among international migration experts, leading economists and senior policymakers on the guiding principles towards a more effective integration of immigrants into host-country LMs and societies, while ensuring the successful economic and social development and transition of sending countries. In this context, a series of evaluative studies/working papers leading to four main policy briefs was produced as well as a draft final report, which was discussed in Brussels during an expert seminar organised by the Commission in March 2007. The report, which includes several key policy messages, was finalised in July the same year.

A better understanding is needed on the economic impact of migration including the role migration can play in alleviating labour shortages. The study "The role of migrant women in the LM; current situation and future prospects", which gives special attention to the situation of female migrant workers in particular, was launched in 2006. The project has three objectives: to draw a picture of the migrant women's representation in the LM in EU, how to improve LM participation of migrant women in the EU, and how to better integrate the gender dimension in integration and immigration policies. A seminar to discuss the draft final report was organised at the beginning of 2008 and the final report will become available in Spring 2008. A joint EC/OECD conference on "Migrant women" which produced a series of expert papers and interesting conclusions was organised in 2005⁴¹.

B.8 Business dynamics and employment

The study "Business demography and employment"⁴² provides a set of equations and indicators, which can be used to analyse and monitor the progress towards the objective of business creation and growth-driven employment and recommendations regarding indicators for monitoring. The monitoring system consists of two parts, the first being related to the monitoring of business and labour dynamics. The second part relates to the underlying environmental factors which determine business creation and employment growth.

A major project including a study and network of "European LM analysts using firm-level panel data and linked employer-employee data"⁴³, launched in 2006, built on a preparatory study from 2005 with a view to exploiting all potential sources of such data at European and international level for the purpose of comparative analysis of LM issues. The network will be launched at a later stage as it depends on the result and findings of the study, which will be finalised at the beginning of 2008 when a conference to present its final report is also planned.

³⁹ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2004 (July 2004)

⁴⁰ http://www.oecd.org/document/39/0,3343,en_2649_33731_36427431_1_1_1_1,00.html#Gaining

⁴¹ http://ec.europa.eu/employment_social/employment_analysis/imm_migr_wom05_en.htm

⁴² http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm

⁴³ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm

A workshop linked on the issue, "Employment, productivity and wage structures in Europe", was organised in April 2005.

B.9 PES studies

Guidance is a discipline that is part of any individual action plan and one that contains the various PES functions into an effective whole. A survey on vocational guidance services in the national PES of the enlarged EU, "Career Guidance in Europe's Public Employment Services: trends and challenges"⁴⁴, will contribute to the elaboration of a PES service model, which is developed in connection with the specific EG on prevention and activation. The survey, allowed a collection of data on national PES practices and became an important source for the national PES in the development of their new service models. A follow-up seminar on "The role of vocational guidance in the PES service model for job-seeker action planning" was organised in 2006 to explore the appropriateness/modalities of implementation of the recommendations made in the report of 2005. The seminar outcomes included mutually agreed proposals for practical actions geared towards enhancing the role of vocational guidance in the PES with particular reference to more effective action planning and prevention of long-term unemployment (LTU).

B.10 Surveys

In the context of the evaluation of the EES, a preparatory action for a conference organised by the Portuguese Presidency in 2007, the qualitative study on ten years of EES: "Analysis of the attitudes of the main actors in employment policy in 28 European countries"⁴⁵, was launched in 2006. The study confirmed, on the basis of interviews of stakeholders, the impact of the EES on national reform agendas, notably in the new MS, and the improved convergence around EES challenges and policies. At the same time, the study identified the need for the EES to focus more on new challenges such as the development of human capital, worker's mobility and immigration.

In the context of evaluation, it is also appropriate to mention two projects launched in 2006:

The first was using the Eurobarometer to assess the level of awareness of the EES and its supporting financial instrument, the European Social Fund (ESF). This analysis was combined with a broader Eurobarometer survey, "European employment and social policy"⁴⁶, on the public perception of social policy challenges and reform across Europe. In the light of earlier results, the aim of the project was to further explore the level of knowledge of the EES – its existence, effectiveness and transparency – as well as of the financial instrument to support it: the ESF. To put this survey into a wider perspective, it also addressed differences/commonalities in the perception of fundamental social values, social policy challenges and reform across the EU as well as of the communication and perception of the EU's contribution in this context. The survey was carried out in the 25 MS, Bulgaria, Romania, Croatia and Turkey.

The second project was a study which also related to the ESF, which in 2007 celebrated its 50 years of existence supporting employment initiatives in Europe. 2007 also coincided with the start of the next programming period of the Cohesion Policy (2007-13), which was an

⁴⁴ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2005 (October 2005)

⁴⁵ http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm

⁴⁶ http://ec.europa.eu/employment_social/incentive_measures/studies/ebs261_esf_en.pdf

opportune moment to consider and communicate the role that the ESF has played, evolving from being a tool principally supporting training and workers' mobility into a key instrument supporting employment policy across the board, and more recently the EES.

This study, "ESF – 50 years investing in people"⁴⁷, traced the history and evolution of the ESF from 1957 up to the present day, making links with the key developments in EU employment and social policy. A hardcopy version of the report is also available in English, French and German.

In the context of ESF, the EIM also supported a Finnish Presidency conference on EES and ESF in 2006.

C. 2006 EUROPEAN YEAR OF WORKERS MOBILITY (EYWM)

In the context of the 2006 EYWM, several projects, which included two Calls for Proposals, were financed by the EIM Programme.

It may be interesting to note that at present only 2% of the EU citizens are living and working in another MS. Although the unemployment rate in the EU is high, an estimated number of 3 M posts remain unfilled, due largely to the lack of a mobility culture within the European work force. A further lack of work force in Europe is also foreseen in the future, due to negative demographic trends.

Lessons were learnt from the Year. Whereas mobility in the past mostly concerned the long term mobility of workers from the southern regions of Europe moving to the north, today all categories of workers are included and among those many young workers, some with a multiple mobility experience, which is often of a shorter duration.

The psychological and practical obstacles that make people hesitate before moving to another country were also brought forward and analysed through studies and exchange of best practice. Among the practical obstacles should be mentioned family, spouses with own careers in country of origin, language, non-recognition of qualification and diplomas, taxation and social security. The psychological obstacles are sometimes more difficult to define; hesitation combined with fear for the unknown, but also returning workers may face a LM that has changed during their absence and the mobility experience is not always recognised as something positive by employers.

Solutions about how to deal with these obstacles were sought through discussions and exchange of good practice between the MS. The importance of giving assistance in order to reintegrate returning workers was equally acknowledged.

In promoting the Year, the positive aspects of mobility were further stressed. The cultural element, the opportunities offered to discover another country, its environment and to learn another language, etc., should give encouragement to the EU citizens to discover themselves what the European experience is all about.

⁴⁷ http://ec.europa.eu/employment_social/esf/docs/50th_anniversary_book_en.pdf

Further information on the projects which the EIM supported can be found at http://ec.europa.eu/employment_social/workersmobility_2006/index.cfm?language=EN and http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm#2006.

In the context of the EYWM, EIM funded the following activities:

- Logo, promotional and awareness-raising material, including the European Workers' Mobility poster and leaflet⁴⁸
- Support for the EU-level social partners to develop mobility related initiatives⁴⁹: the overall aim of this restricted Call for Proposals was to provide support to EU-level social partners to develop new activities or to provide for follow-up of successfully implemented activities to promote Europe-wide geographical and occupational mobility of workers. The activities were to be conducted under the label of the EYWM 2006 (i.e. figure in the Year's programme of activities, carry the official logo, etc.) and were to be conceived as launch events during the Year;
- Launch conference (Brussels, February 2006)⁵⁰
- Joint EU-US seminar "Labour mobility in the EU and the US: Trends and Challenges ahead"⁵¹
- Towards a European LM; pilot projects⁵²: a Call for Proposals with a view to launching innovative actions in order to enhance the exchange of best practice on workers mobility in the EU)⁵³
- The study on "Geographical mobility in the EU: optimising its social and economic benefits" aims at assessing geographical mobility in the EU both at regional and national level and with the objective to build on existing empirical evidence, collect additional and updated evidence and evaluate current policies and design new ones in order to support geographical mobility and the creation of a European LM, final report available by spring 2008;⁵⁴
- The study on "Job mobility in the EU: optimising its social and economic benefits" focuses on job mobility in the EU in relation to mobility with the same employer (e.g. career advancement), occupational mobility, and job mobility proper (change of employer, final report available by spring 2008);⁵⁵
- The study on "Employment of spouses and partners as an obstacle to mobility"⁵⁶ shows that unawareness of assistance available for spouses might be a major obstacle to (international) mobility and that a large part of companies are not fully aware of the regulations in force. However, a great number of couples and companies are capable of handling international

⁴⁸ [Logo and promotional material](#)

⁴⁹ Restricted Call for Proposals VP/2005/018:

http://ec.europa.eu/employment_social/calls/2005/vp_2005_018/index_en.html

⁵⁰ Launch conference:

http://ec.europa.eu/employment_social/workersmobility_2006/index.cfm?id_page=45

http://ec.europa.eu/employment_social/employment_analysis/imm_mobility06_en.htm

http://ec.europa.eu/employment_social/workersmobility_2006/index.cfm?id_page=504

⁵³ [Call for Proposals VP/2006/014](#)

⁵⁴ [Call for Tender VT/2006/042](#)

⁵⁵ [Call for Tender VT/2006/043](#)

⁵⁶ file:///V:/employment_social/incentive_measures/activities_en.htm#2006 (EYWM)

migration without assistance. In these cases proper information concerning living and working conditions and LM opportunities might be sufficient. Therefore, information is a prerequisite for international mobility, but also good practice and awareness-raising. The study also pointed out possible side effects, such as biased public opinion, social tensions, etc., and cutbacks of international mobility and the situation in the UK were brought up as examples in this respect;

- The study "*Innovative actions to provide good company practice on worker mobility for SME and PES*"⁵⁷, whose results are expected to be available in early spring 2008, will identify possible ways to overcome existing barriers to mobility and to capitalise on business practice related to workers' mobility. The main focus will be on best practice by medium-sized and large enterprises allowing and encouraging the geographic mobility of their workers. This good practice can be of great use for other SME and for the PES as providers of services to both workers and enterprises. The aim is to investigate into the reality of (larger) enterprises rather than developing theoretic models. SME can learn from good practices of large enterprises, while focusing on effective policies, in terms of mobility of staff and looking into good examples with the largest impact on workers' mobility;

- "*Europeans on the move - Portraits of 31 mobile workers*"⁵⁸ (publication)

- *Publication of a 'Flash' Eurobarometer on the perception of rights and instruments in the area of workers' mobility*: this survey assessed changes in individual perceptions and attitudes towards mobility at end of the Year. It also assessed changes in relation to a broader Eurobarometer inquiry that was conducted at the end of 2005. The changes in perception made it possible to draw preliminary conclusions about changes in perception on the usefulness of mobility experiences as a means to increase employment in Europe and in particular a better matching between offer and demand at European level. The results of the Flash were presented at the closing conference of the Year in Helsinki, in December 2006;

- *Conference on "Workers' Mobility – What role for the social partners?"* organised to promote exchange of good practice;

- *European Job Fairs* organised simultaneously in 230 cities on 29 and 30 September 2006⁵⁹;

- The "*European Workers' Mobility Award*"⁶⁰

- *Seminar for Law Professionals* on the free movement of workers in an enlarged Europe⁶¹

- *Series of initiatives of information and awareness-raising to emphasise mobility's contribution to more and better jobs*

- *Closing conference*

- *Evaluation of the Year* (still in progress)

⁵⁷ [Call for Tender VT/2006/046](#)

⁵⁸ [Europeans on the move - Portraits of 31 mobile workers](#)

⁵⁹ [European Job Fairs](#)

⁶⁰ [European Workers' Mobility Award](#)

⁶¹ http://ec.europa.eu/employment_social/workersmobility_2006/index.cfm?id_page=20

D. LOCAL EMPLOYMENT DEVELOPMENT (LED)

In the area of local development, several projects were initiated and launched during the EIM Programme period.

Among the LED key activities belongs the IDELE programme⁶², a 3-year programme launched by the Commission in November 2003 in order to identify, disseminate and exchange good practices among MS in LED. IDELE set up a similar methodology as that of the Mutual Learning Programme (MLP)⁶³ with local actors being encouraged to develop effective local development strategies by facilitating co-operation with their counterparts in other MS.

Each year 4 themes were agreed with DG EMPL which formed the basis of four seminars during each year. Prior to each seminar there was an intensive process of identifying good practice case studies relating to each theme. At each seminar, 6-8 case studies were presented and discussed in detail, with the aim of extracting key success factors and transferable good practice. The number of participants at each seminar was kept to about 30-35 people to ensure that there would be real discussion. Generally participants were invited by ECOTEC or DG EMPL on the basis of who could best contribute. Following each seminar a thematic report was produced, incorporating the background research and the findings from the seminar. Dissemination of the findings and the reports was a key part of the process. For each year, the IDELE programme also produced an overall report.

With regard to information and communication activities, the Linking Local Actors network⁶⁴ set up a website and now provides means for networking and close cooperation between the Commission and local economic and employment development actors. It furthermore organises periodic peer reviews and events at Community, national, regional and local levels.

The evaluation of the preparatory measures projects evaluated the series of 19 projects under the Call for Proposals "Preparatory measures for a local commitment for employment" launched in 2001. The 19 projects aimed to highlight innovative aspects of LED, to put forward proposals for the transfer of good practice, to draw lessons for the design of mainstream employment policies, and to provide advice as regards future activity. The evaluation highlighted positive results and limitations, and put forward a set of recommendations in order to increase the impact of this type of initiative in the future.

In line with the provisions of Article 4(3) of the Decision, EIM contributed throughout the whole programme period to OECD in the framework of its Local Economic and Employment Development programme (LEED)⁶⁵, focusing on the local integration of immigrants, skill upgrading for the low-skilled, and dissemination activities.

The project "Promotion of Benchmarking within LED"⁶⁶, launched in 2004, aimed at developing effective local employment strategies by learning from the experience of others who have faced, or are facing, similar issues in other localities. By the setting of standards and identification of synergies, benchmarking can constitute a "learning system", helping to

⁶² http://ec.europa.eu/employment_social/local_employment/project_idele_en.htm

⁶³ http://ec.europa.eu/employment_social/employment_strategy/peer_en.htm

⁶⁴ http://ec.europa.eu/employment_social/local_employment/lla/fo/index.do

⁶⁵ http://www.oecd.org/departement/0,3355,en_2649_34417_1_1_1_1_1,00.html

⁶⁶ http://ec.europa.eu/employment_social/local_employment/publi_en.htm

transform local approaches into better governance. So benchmarking can be regarded as an important contribution to the implementation of the EES at local level.

The project entailed a literature review, identification of case studies, fact-finding visits, and a conference. As well as a final report in English and in French, there is a summary brochure, accessible to non-experts, available in 20 EU official languages.⁶⁷

The study "New MS and LED: taking stock and planning for the future", also known as FALDE: Fresh approaches to local development of employment in the new MS⁶⁸, identifies future priorities with respect to LED in the 12 new MS, in keeping with the goals of the EES and wider EU objectives, and thereby develop future strategy with respect to LED in these countries and in the EU as a whole.

In November 2001 the Commission adopted a Communication [COM (2001) 629] on the local dimension of the EES, suggesting ways to help local actors play their full part in the EES, in cooperation with national authorities and Community institutions. A particular focus for the Commission has been to play a supportive role, and in line with that strategy a series of practical handbooks for developing local employment strategies for local actors was funded by the EIM. These handbooks provide a practical tool indicating the best approaches for designing, developing, implementing, monitoring and evaluating successful LED strategies and activities. The key principles are presented, documented with examples and a list of useful contacts.

There are today 16 handbooks available⁶⁹ - one for each of the 15 MS that were EU members prior to May 2004, and a general one for the new MS and CC. Each handbook has a common first part, followed by country-specific chapters.

In 2006, the same handbook project was launched for each of the 10 new MS as well as a general one for Bulgaria and Romania that were still AC at that time. The handbook will be available before the summer of 2008.

A key event was the European Forum on local development⁷⁰, held during the Greek Presidency in Rhodes in 2003. This provided the opportunity for key actors at all levels (Community, national, regional and local) to discuss ways of promoting LED and the EES and to exchange best practice. This high-profile event enhanced visibility of the EES including the contribution of local and regional level approaches for the general public.

The joint conference on "LED in the EU and the US: promoting successful policies and practices" offered an opportunity for participants from across the EU and the US to engage in a dialogue on their respective approaches to and experiences with LED.

⁶⁷ http://ec.europa.eu/employment_social/local_employment/publi_en.htm

⁶⁸ http://ec.europa.eu/employment_social/local_employment/project_planning_en.htm

⁶⁹ http://ec.europa.eu/employment_social/local_employment/publi_en.htm

⁷⁰ http://ec.europa.eu/employment_social/local_employment/events_en.htm

E. NETWORKING

E.1 European Employment Observatory (EEO)⁷¹

The EEO contributes to the development of the EES through the provision of information, comparative research and evaluation on employment policies and labour market trends in the countries covered by the EEO (EU MS, CC and EFTA/EEA).

On the EEO web site the latest news from the EEO, information on the EES, electronic copies of the EEO Reviews and other EEO publications, as well as links to other relevant international, European and country websites can be found

E.2 Mutual Learning Programme (MLP)

The MLP aims at facilitating the identification of good employment policies and their transfer, creating the opportunity for stakeholders in the MS to present their national examples of good practice at the EU level. This is being realised through 3 types of activities: 1) Thematic Review seminars, which are attended by policy-makers and stakeholders from across Europe as well as key experts, who come together to debate on a priority theme; 2) Peer Review meetings, which present a selected policy or measure to a group of peer countries which have expressed specific interest in the potential transfer of the policy to their own countries; and 3) national and joint follow-up activities, which are launched to achieve the objectives of the MLP.

E.3 Public Employment Services (PES)

A number of high quality collaborative PES projects were co-financed, such as the development of benchmarking indicators of PES performance, which included the related seminar on "Common performance indicators and benchmarking procedures".

Other PES seminars included subjects such as governance and structural change in PES related to ICT developments and on the promotion of mutual understanding of public and private employment services.

Series of training seminar was organised in 2002, 2003 and 2006 for the PES management in those CC, which were to become the new MS in 2004, and in Romania, Bulgaria, Croatia and Turkey in 2006. The seminars, which were organised by the Commission in collaboration with the EU PES in order to ensure a coherent transfer of practical knowledge and experience, focused on PES as a factor in the implementation of the EG and general policy/strategic management issues related to the implementation of the EES and ESF, PES modernisation issues, participation in the EURES network, services to jobseekers/LTU and services to employers.

E.4 LED Programmes and Network

Both the IDELE Programme and the Linking Local Actors Network were dealt with more in detail under Part D of this document.

⁷¹ <http://www.eu-employment-observatory.net/index.aspx>

GLOSSARY

ALMP	Active Labour Market Policies
AC	Accession Countries
CC	Candidate Countries
CEEC-12	12 Central and Eastern European Countries
EEA	European Economic Area
EEO	European Employment Observatory
EES	European Employment Strategy
EIM	Programme for Community incentive measures in the field of employment
EMCO	Employment Committee
ESF	European Social Fund
EYWM	European Year of Workers' Mobility 2006
IDELE	Identification, Dissemination and Exchange of good practice in the field of LED and promoting better governance
LED	Local Employment Development
LEED	The OECD programme: Local Employment and Economic Development programme
LFS	Labour Force Survey
LLL	Lifelong Learning
LM	Labour market
LMP	Labour Market Policy
LTU	Long-term unemployment
MLP	Mutual Learning Programme
MS	Member States
PES	Public Employment Services
SME	Small and medium-sized enterprises

