

Europe 2020. How to meet the 75% employment rate ambition?



- Employment targets in European strategies
- The expected employment rate in 2020
- More jobs! What about better jobs?



Employment targets in European strategies



- Lisbon 2000, strategy for EU to become in 2010 the “most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and grater social cohesion”.
 - 70% employment rate for 15-64 year old
 - 60% employment rate for women
 - 50% employment rate for older workers (aged 55-64 year)



Lisbon result: Europe missed all employment targets..



Bad result of the Lisbon strategy, as no single target has been met:

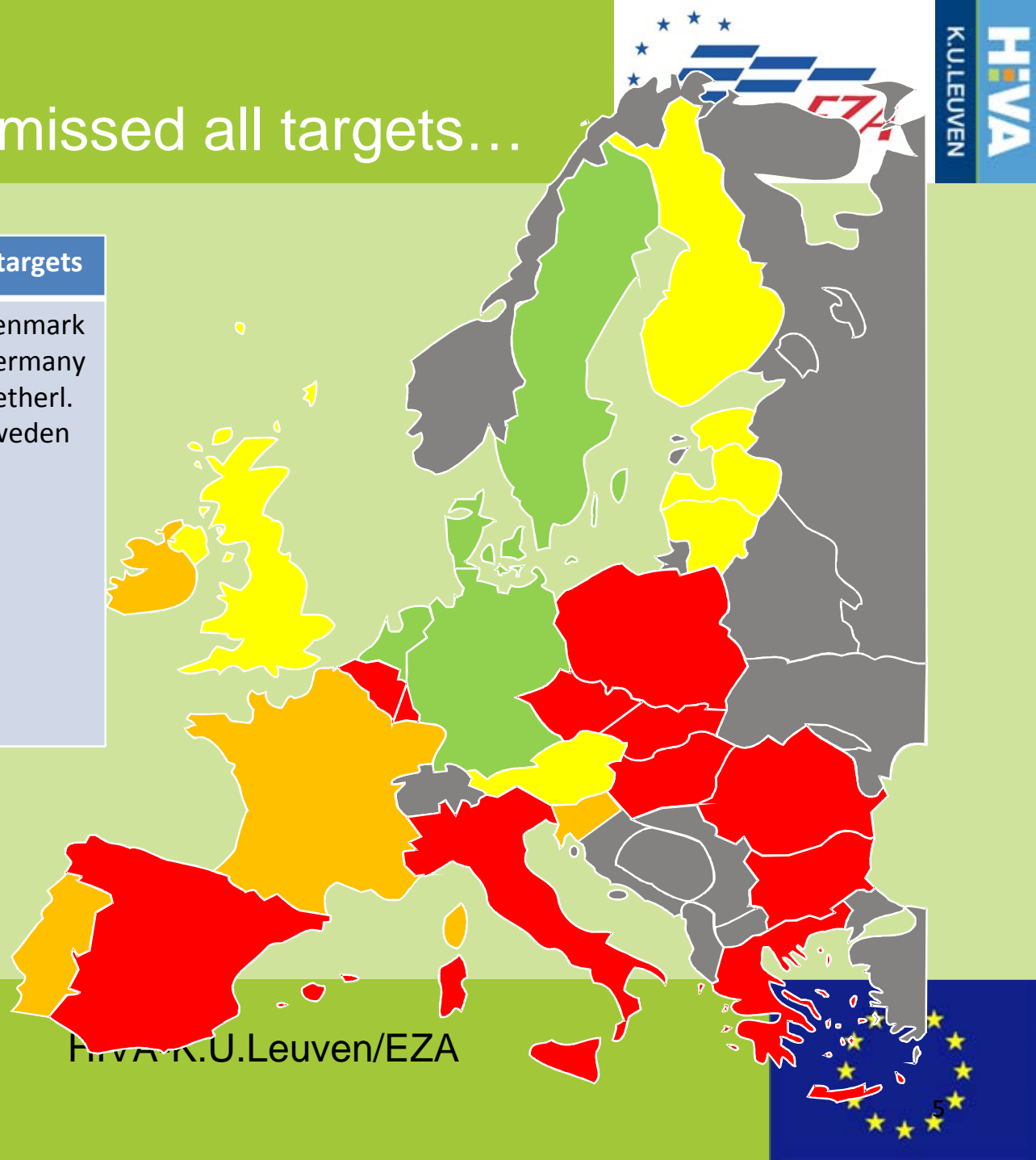
- 70% employment rate target: 64.6% overall rate in EU, only 5 Member States above target (NL, DK, SW, AU, GE)
- 60% employment rate for woman: 58.6% overall, with 14 Member States above target
- 50% employment rate for older people: 46% overall, with 11 Member States above 50%.



Lisbon result:

A lot of countries missed all targets...

0 targets	1 target	2 targets	3 targets
Belgium Bulgaria Czech R. Greece Spain Italy Luxemb. Hungary Malta Poland Romania Slovakia	Ireland France Portugal Slovenia	Estonia Cyprus Latvia Lithuan. Austria UK Finland	Denmark Germany Netherl. Sweden



Employment targets in European strategies



- Europe 2020, a new strategy for EU to become a “smart, sustainable and inclusive economy”.
Concretely, the Union has set only one ambitious employment objective to be reached by 2020:
 - 75% of the 20-64 year-olds to be employedFour other objectives focus on innovation, energy use, education and poverty.



Is this new employment target a realistic one?

Forecasting employment rates in 2020



- **Data:**

- The number of employed people in MS by gender and age categories, 1983-2009.
- Population in MS by gender and age categories, 1983-2009
- Population forecast in MS by gender and age categories, 2010-2020

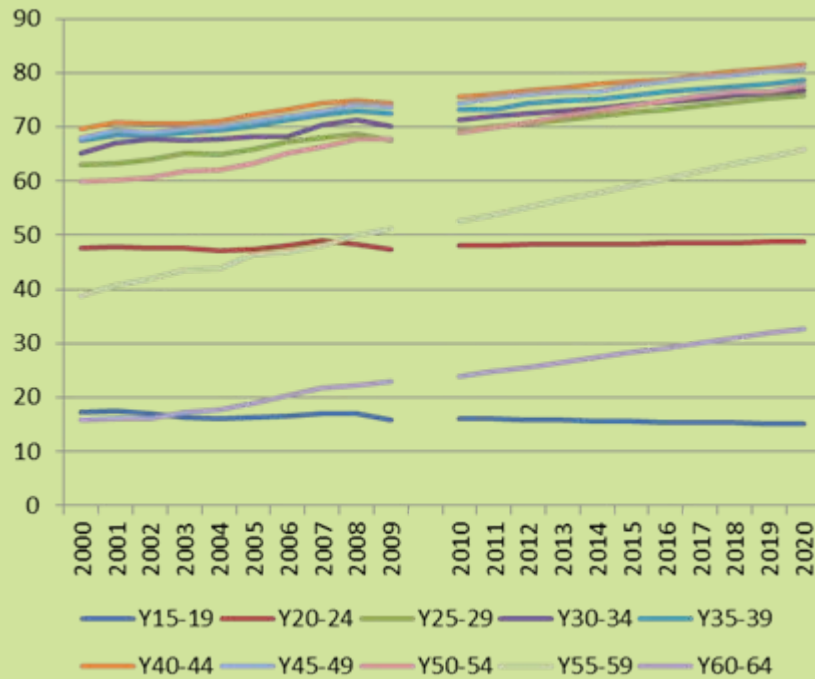
- **Methodology:**

- Age and gender specific employment rates for 2010-2020 forecasted as linear trend
- No faster growing employment 'transition' rates than in previous decade
- Maximum employment rate is 100%

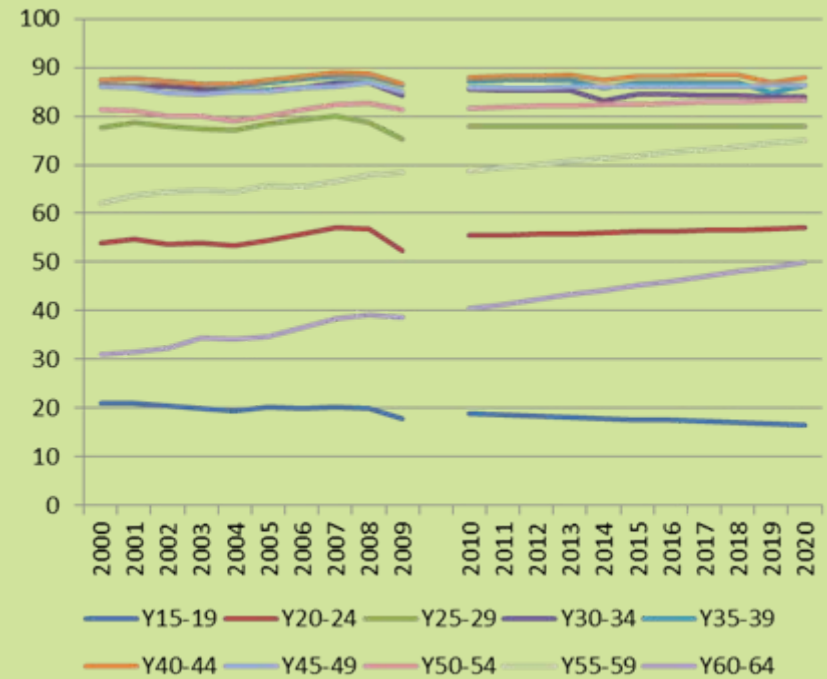


2020 forecast result

Female employment rate

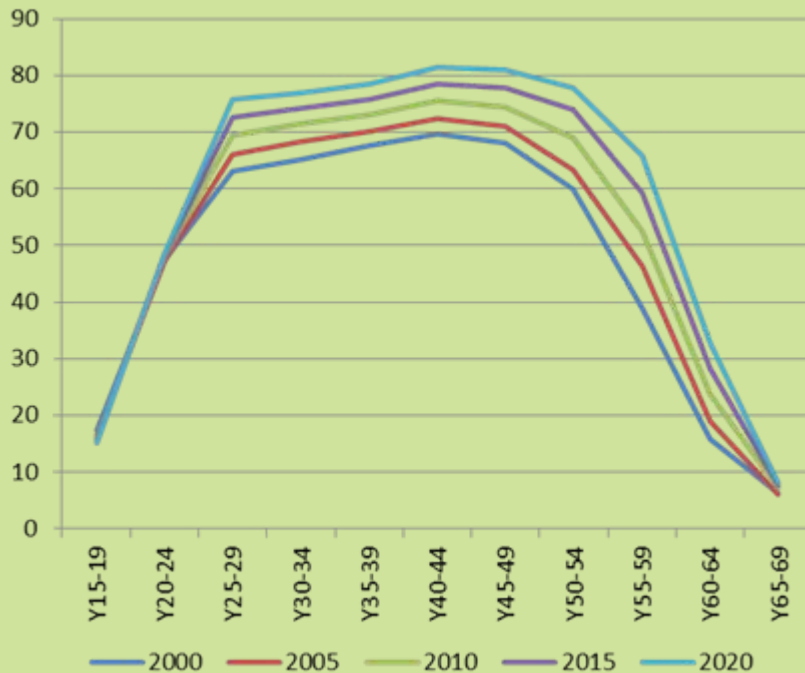


Male employment rate

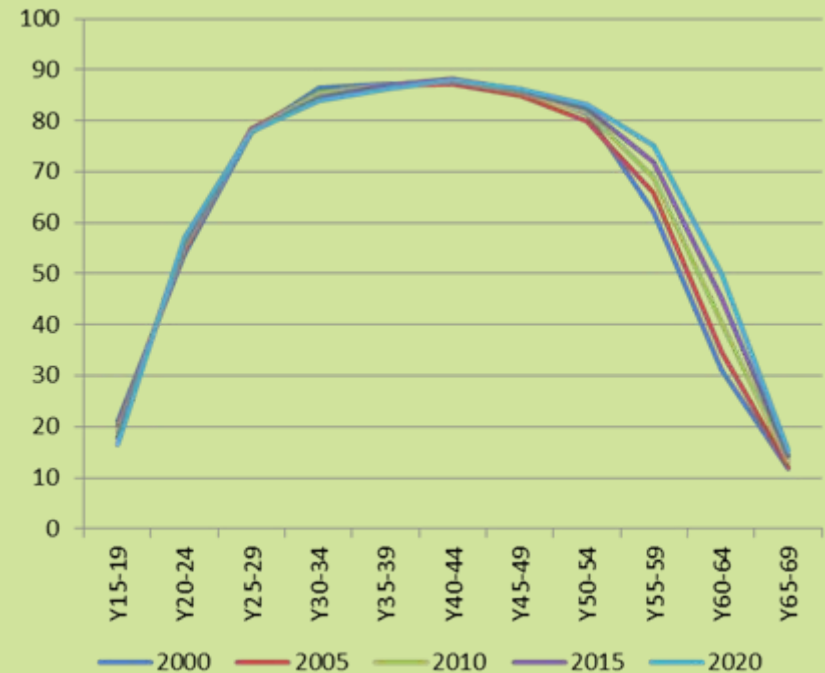


2020 forecast result

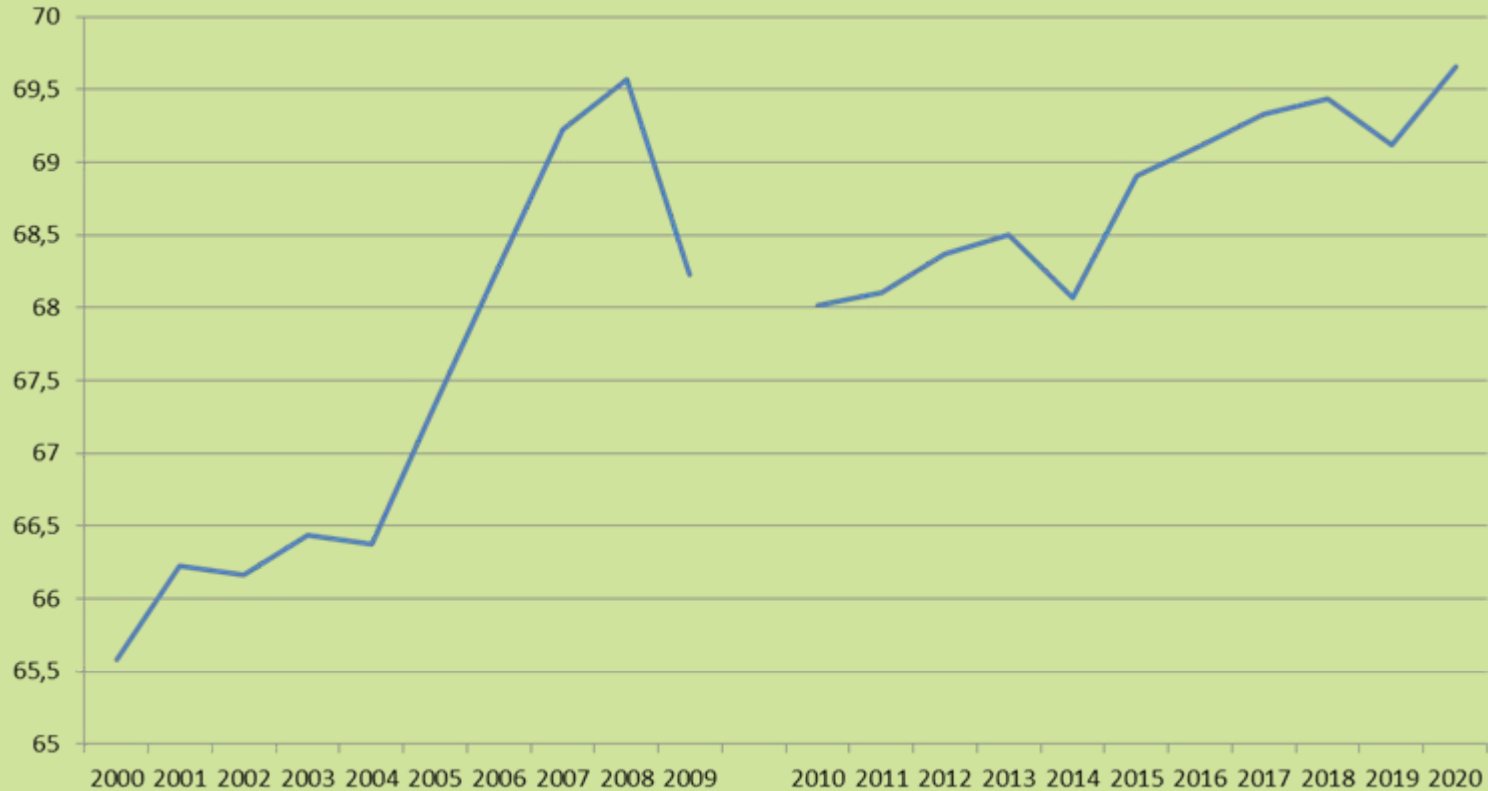
Female employment rate



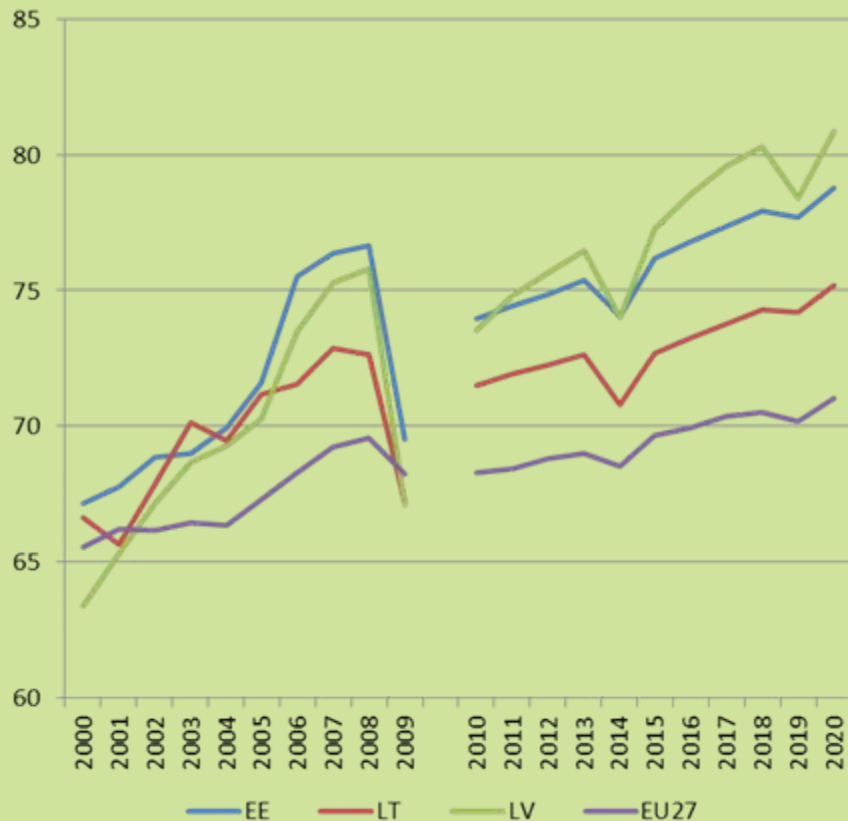
Male employment rate



2020 forecast result: EU 27 with 70% below target



2020 forecast result Baltic States: Good perspective in case crisis can be overcome

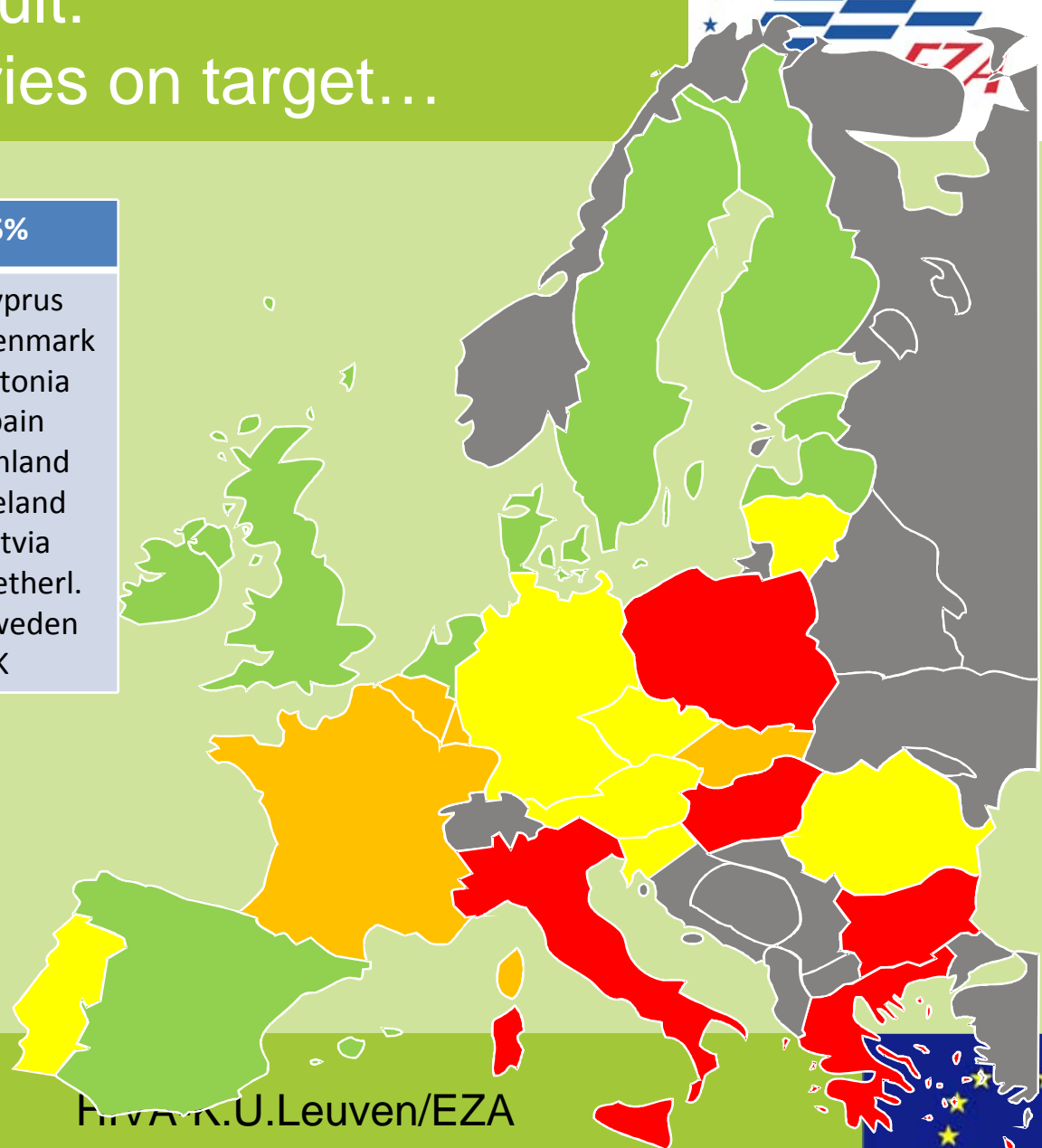


- Baltic countries had a very steep employment rate between 2000 and 2008
- But hard hit by crisis. Drop of ER by about 10%!
- Good perspective in case crisis can be overcome



2020 forecast result: But a lot of countries on target...

Under 65	65-70%	70-75%	75%
Greece Italy Hungary Malta Poland Romania	Belgium France Luxemb. Slovakia	Lithuan. Austria Bulgaria Czech R. Germany Portugal Slovenia	Cyprus Denmark Estonia Spain Finland Ireland Latvia Netherl. Sweden UK



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Realistic 2020 national targets

Targets in line with our forecasts



\ Forecast National Target	Under 65%	65-70%	70-75%	75%
65-70%	Greece, Italy, Malta, Romania			
71-74%	Poland	Belgium, Luxemburg, Slovakia	Lithuania	Spain, Latvia
75%	Hungary	France	Czech Rep., Germany, Portugal, Slovenia	
More than 75%			Austria, Bulgaria	Cyprus, Denmark, Estonia, Finland, Sweden
No target				Ireland, UK, Netherlands



- Probable growth of employment rate in Europe between 2010 and 2020
- But it is also probable that the same countries will lag behind, as both forecast result and policy targets are lower in countries with low 2010 employment rate.



Policy mix suggested by EC

“The Way Forward: striving for more employment”



- Reduce labour costs: reduce social security, flexible wages, in-work benefits...
- Attract inactives: working time accounts, flexitime, better day-care facilities, link unemployment benefits to training/job search (active inclusion), contractual arrangements, reduce early retirement...
- Education and training: responsiveness of training to labour market, support training...



Policy mix suggested by EC

Too much stress on labour costs? Review



- No strong relation between labour cost change and employment rate
- Too much stress on employer related policies, i.e. making work attractive (for employers)?
- What about employee related policies, e.g. making work attractive for workers?



More jobs, better jobs?



- Lisbon strategy not only on raising employment rate, but also on better quality jobs.
- Double strike: job quality a lever to raise employment rate
- Since 2000, a number of job quality indicators have been introduced to measure not only the quantity but also the quality of new jobs.



The EU 2020 Employment Concept

- Subject to social insurance contributions employment?
- Full-time or part-time employment?
- Atypical employment?
(fixed-term, temporary or minor employment)
- Precarious employment?



Employment

- Definition from a subjective perspective

An action or activity, securing the existence, contributing to self-fulfillment, characterised by dependend work (no freelance work), bounded by instructions and remunerated through a decent salary.

- Reachability of 75% target depends on definition and on the member states' initiatives



- Three definitory approaches:
 - Declared level of job satisfaction
 - Answers of workers what they consider as being important for job quality
 - Literature point of view (economic/ sociological)



Good and quality work (decent work)

„productive work for women and men in conditions of freedom, equity, security and human dignity. Decent work involves opportunities for work that is productive and delivers a fair income; provides security in the workplace and social protection for workers and their families; offers better prospects for personal development and encourages social integration; gives people the freedom to express their concerns, to organize and to participate in decisions that affect their lives; and guarantees equal opportunities and equal treatment for all“. - ILO

- No real development or practical operational application of the job quality dimension within the European Employment Strategy (EES)



1. **Job Quality Indicator (JQI)** restricted to job aspects that have an impact on the well-being of workers
2. Division of job quality into:
 - Employment quality (contract, wage, working hours)
 - Work quality (autonomy, intensity, environment)
3. Interplay of the social context (welfare state and family)



“There is a great need at EU level for a worker-oriented, individual-constructed and scientifically grounded job quality indicator in order to measure, compare and monitor job quality in the different Member States.”

Source: Indicators of Job Quality in the European Union Report 2009.



European Job Quality Index (EJQI) – ETUI

- Overall Index for the EU and the Member States
- Measures job quality from a workers' perspective (individual level)
- **6 sub-indices**
 - Wages
 - Non-standard forms of employment
 - Working time and work-life balance
 - Working conditions and job security
 - Skills and career development
 - Collective interest representation and voice



DGB Good Work Index (DGBI) – DGB

- Index for working and income conditions in German companies
- Written interrogation measures job quality from a workers' perspective
- **3 Dimensions:**
 - **Ressources (10 sub-dimensions)**
 - **Work-Load and stress (3 sub-dimensions)**
 - **Job security and income (2 sub-dimensions)**



A GENERAL JOB QUALITY MODEL



I. Quality of work

- Autonomy
- Physical working conditions
- Psychosocial risk factors
- Intensity of work
- Meaningfulness of work

II. Quality of employment

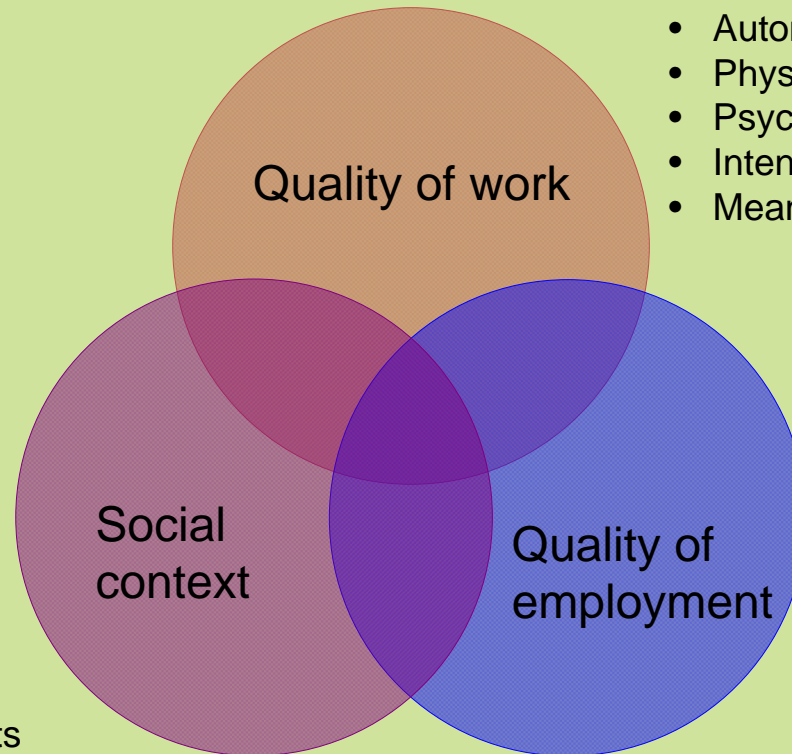
- Wages
- Social benefits
- Working hours
- Work schedules and time flexibility
- Job security
- *Participation*
- *Skills development*

III. Social context

- Welfare state arrangements
- Role of the family



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Quality of work is key to quality of life and well-being

- No established EU-standard how to measure job quality
- Introduction of a clear indicator of job quality is fundamental
- Show link between quality of work and productivity



A EUROPEAN JOB QUALITY INDICATOR



- Aggregate of information about the most important attributes of workers well-being
- Constructed at individual level from individual data
- Lack of a single source of statistical data (comparability)
- Improvement of existing surveys
- Composite job quality index



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Job creation and creation of quality work on the local level

- **Time management**
(breaks, vacation, special leave, flexitime, annual working time, part-time during parental leave)
- **Work cycle management**
(homework, telework, teamwork, reintegration after parental leave, parent-child office)
- **Corporate culture**
(accepting family careers, appraisal interview, work-life balance contact person)
- **Family service**
(cafeteria, household care, childcare support, kindergarten places, financial support)



Added value of family- and employee-friendly companies

- Higher productivity of employees
- Reduction of parental leave, fluctuation and reintegration costs
- Reduction of personal recruitment costs
- Higher proportion of female employees
- Higher proportion of young employees
- High level of employees' qualification
- Rising attractiveness of the company



- Quality work and better jobs are fundamental for the European integration and the political cohesion
- Definition of employment as quality employment on European level
- Inclusion of the EJQI dimensions in the 2020 strategy
- Workers' organisations with other social organisations/ movements have to promote an EJQI for implementing quality work within the EU.



Members of the EZA-Network have to contribute to the implementation of quality work indicators on European level.



More jobs, better jobs?

Elements of job quality (Walqing typology)



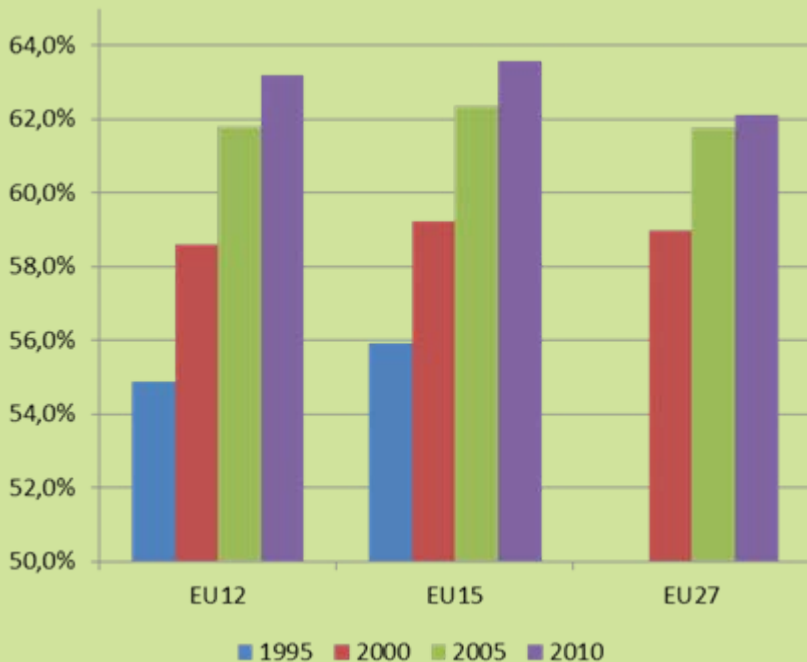
Area	Dimension	Subdimension	Characteristics
A. Work quality	1. Work organisation	Job demands	Workload...
		Job resources	Job discretion, social support, autonomous work groups
B. Employment quality	2. Wages		Wage level, performance related pay, benefits
	3. Security and flexibility	Security	Contractual status
		Flexibility	Flexible working (time) arrangements
C. Empowerment quality	4. Skills and development		Training provided, development opportunities
	5. Engagement & representation		Employee engagement and communication practices



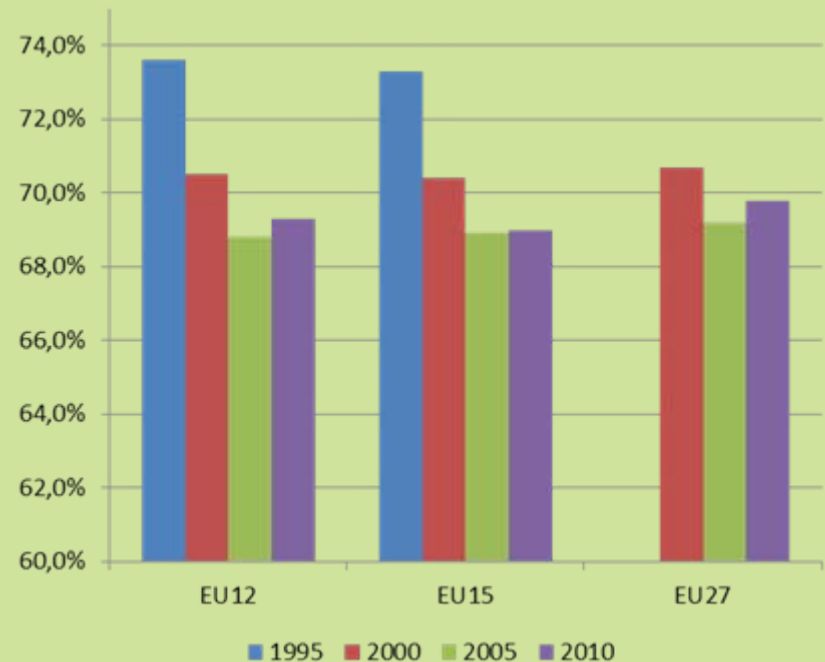
More jobs, better jobs?

Dimension 1: Work quality

More people work at tight deadlines (EWCS - Q45b)



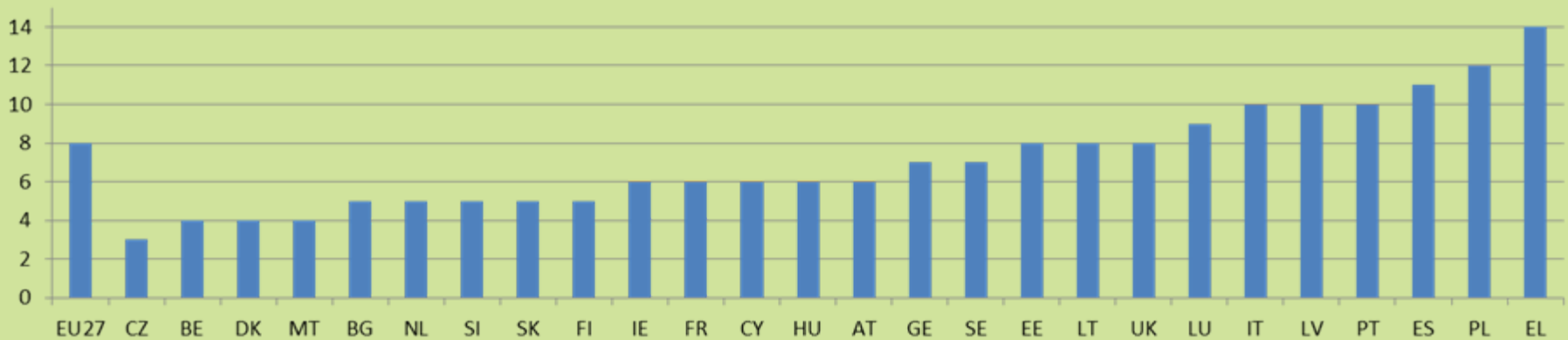
Employees are less able to choose speed or rate of work (EWCS - Q50c)



More jobs, better jobs?

Dimension 2: working poor in Europe

- About 8% of persons in employment are considered as working poor (2007). Higher risk in southern countries and some NMS.
- No uniform pattern on evolution working poor 2000-2007:
 - Risk declined: EE, IE, MT, NE, PT, SE
 - Risk increased: AU, CY, FI, Fr, GE, HU, LV, PL, ES, UK
 - Risk remained stable: BE, BL, CZ, DK, NO



Data: EWCO, Working poor in Europe (2008)



More jobs, better jobs?

Dimension 3: flexicurity arrangements



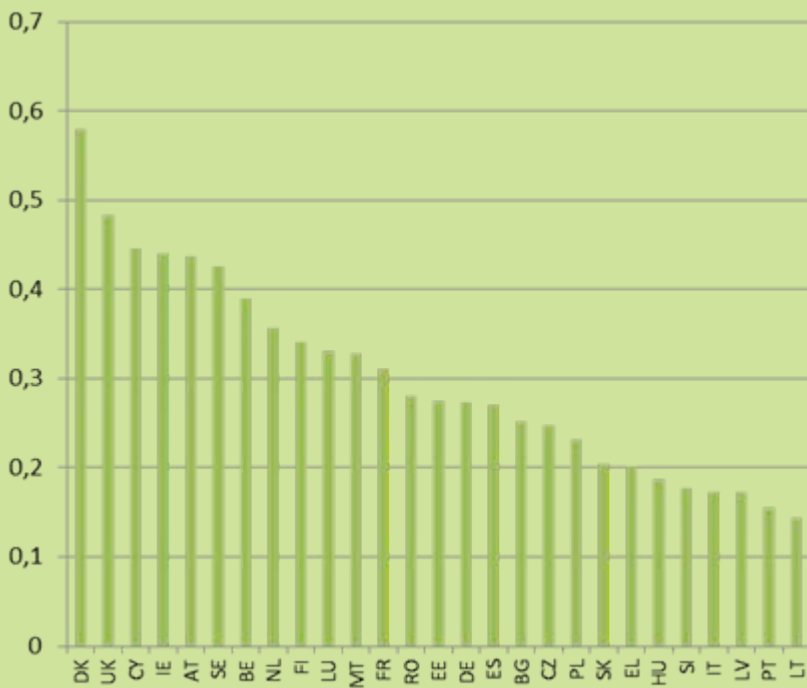
- **Contract:**
 - Open-ended or permanent contract still most common form of employment contract. About 14% of all employees have a fixed term contract or a temporary agency contract.
 - Perceived job insecurity on the rise, partly because of the 2009 crisis period.
- **Working time:**
 - Less people work long hours (48+)
 - More people work in flexible working time arrangements (ranging from flexi-time arrangements, over averaging time over a longer periods, to ‘very atypical work’)



More jobs, better jobs?

Dimension 3: flexicurity arrangements

How well do your working hours fit in with family or social commitments outside work? (EWCS - Q41)

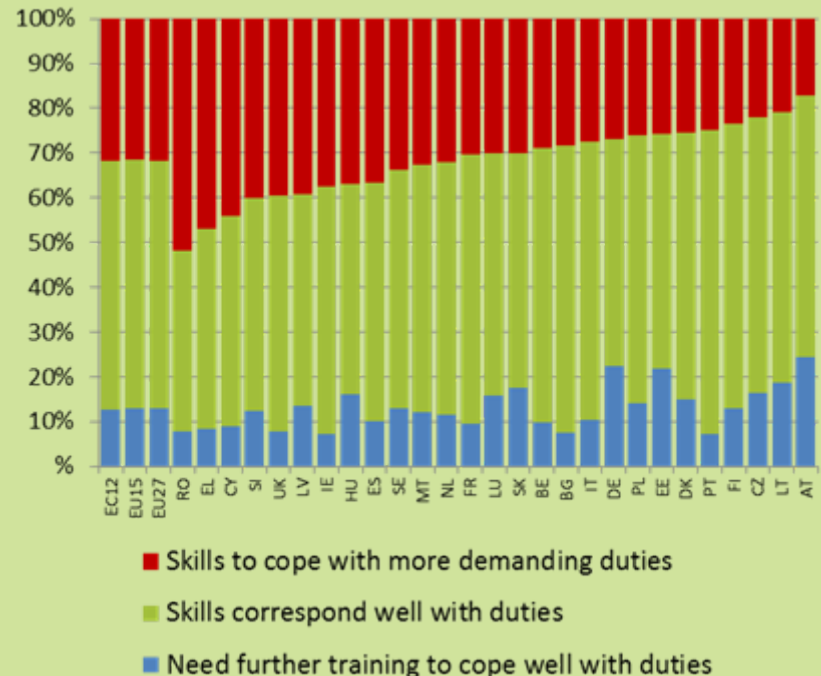


More jobs, better jobs?

Dimension 4: Skills and development

- Cf. job quality: jobs do not become more complex
- Qualification of employees increases
- Only 50% of employees has corresponding duties and skills
 - Overqualification of employees on the one hand. (technical skills?)
 - Training for the right skills and competences in new labour markets? (creative thinking, commercial skills, communication, coping with change...)

Do you have the right skills for your job? (EWCS - Q60)

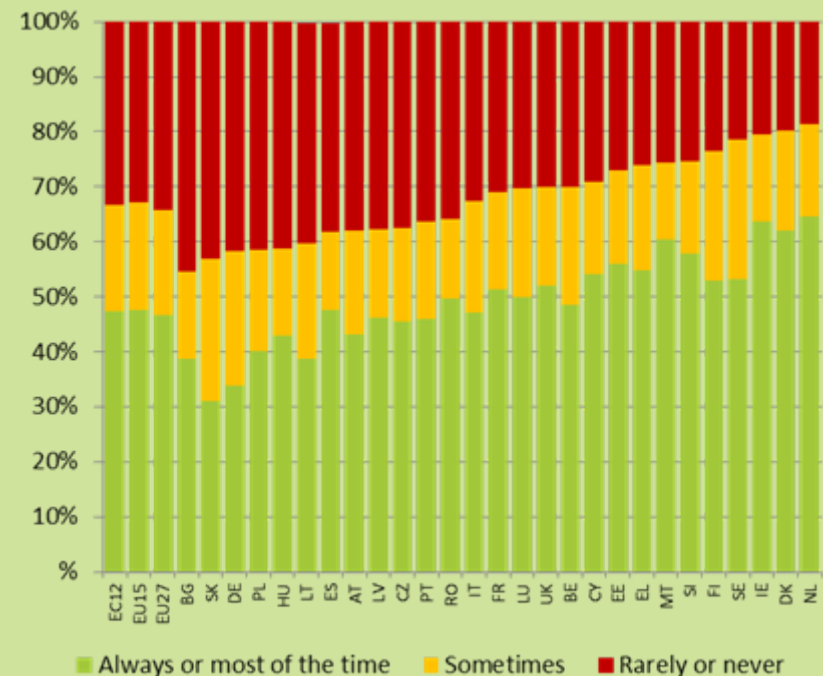


More jobs, better jobs?

Dimension 5: Engagement and repres

- A sense of 'voice' by workers is important for engagement and satisfaction of workers
 - Collective interest representation
 - Informal consultation as an alternative?
- Again good scores in Scandinavian countries on indicators on this dimension

Are you involved in improving the work organisation or work processes? (EWCS - Q51d)



More jobs, better jobs? More jobs in countries with better jobs



- Overall Job Quality Index by ETUI-REHS based on
 - wages
 - non-standard employment
 - work-life balance & working time
 - working conditions and job security
 - access to training and career development
 - voice / participation
- Countries with good quality jobs have highest employment rate!
- Employment rate higher when work is attractive to workers!



More jobs, better jobs?

Not all new jobs are 'smart' or 'knowledge'



- WALQING research: structural employment growth in the EU is found a wide range of sectors (Nace-codes):
 - 'Old' sectors with mainly manual work: construction (45), manufacture of metal products (28), automotive (34), ...
 - Sectors characterised as knowledge-intensive: manufacture of medical precision instruments (33), computer and related industries (72), research and development (73)
 - 'New' sectors with mainly manual work: sewage and refusal disposal (90), recycling (37)
 - Business services: wholesale (51), financial services (65), other business services (73)
 - Services to consumers: real estate (70), travel agencies (63), hotels and restaurants (55), recreation (92)
 - Not-for-profit: health and social work (85), education (80)

