

SOCIAL



AGENDA

EUROPEAN COMMISSION EMPLOYMENT AND SOCIAL AFFAIRS ISSUE N° 1 APRIL 2002

An illustration on a blue background with a white grid. Two stylized white line-art figures are shown from the waist up, pushing upwards against a large, thick red arrow that curves upwards from left to right. The figures are positioned below the arrow, as if supporting or pushing it.

Pushing up the retirement age

**Workers gain
consultation rights**

**The health insurance card
goes European**

**Eight-year-olds to start
a second language**

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Editorial

Since the Lisbon European Council of March 2000, the European Union has focused on raising its performance and transforming itself into the most competitive and dynamic economic area in the world. All policies – economic, employment and social – are geared to this overall strategic goal with the focus on more and better jobs and greater social cohesion.

At Barcelona in March this year, Europe's political leaders again reiterated the path chosen in Lisbon and backed it with a new mix of policy measures. Recent progress has been impressive. Millions of additional jobs – the majority of them good quality jobs – have been created in the past years. However, there is still a long way to go to reach full employment, requiring a further 15 million jobs, at least, to be created.

This will mean attracting millions more women into the labour market. It will also require millions of so-called 'older' workers – both men and women – to remain longer in paid employment. The role of public authorities across Europe, as well as the social partners, will be crucial. Diverse responses are called for, covering more child care facilities, better training opportunities during working life, better work incentives in tax and benefit systems, a better quality in work, appropriate wage developments. With the overall aim of balancing flexibility with security.

In order to strengthen Europe's resilience, in particular at moments of economic difficulty, the Commission has tabled a document aimed at encouraging the social partners to be more forward-looking in terms of managing change, in particular in cases of corporate restructuring.

Equally important for Europe's future performance is the need to boost skills and promote labour mobility, both geographically and professionally. The mutual recognition of qualifications between Member States is one important area where progress has been far too slow in the past. On the other hand, there is now an initiative to launch a new European health insurance card, which will bring to an end the complex procedures that citizens have to go through in order to benefit from the health insurance schemes at home when needing medical care in another Member State.

The goal of increasing employment participation cannot be separated from the need to modernise social protection systems. Pensions are top of the priority list. Along with health care. The underlying principles for modernisation have been agreed: quality of provision, financial sustainability and meeting social objectives.

Barcelona also put the fight against poverty on a clearer track with Member States setting targets and putting in place actions to significantly reduce the number of people at risk of poverty by the year 2010.

The agenda is vast, but the individual policies are strongly interconnected. Reaching these goals will require both focus and a sense of urgency. That is particularly important in light of impending enlargement of the European Union. The benefits will be considerable: better living standards and better quality of life for all.

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If you speak another language, it is much easier to find a job abroad. The Commission proposes that every child in the EU should learn a second language from age eight.

EU facilitates job seeking abroad

The Commission has set a 2005 target to make EU-wide mobility of workers a reality and proposed urgent measures to reach it. Boosting language skills and the creation of a new electronic European health insurance card are two important elements of this package.

The Commission's 25-point action plan, adopted on 13 February 2002, addresses one of the thorniest issues affecting EU labour markets – the mobility of workers, or rather, the lack of it.

Tackling this seriously means, first of all, adapting education and training systems. The plan puts an emphasis on enhancing basic skills and ICT skills. All pupils should have the chance to master at least two EU languages as well as their own, and to start language training from the age of eight. Post-secondary students should be able to spend a significant part of their further education, e.g. a third, in another EU Member State.

To support mobility on the labour market, social security and pension rights should become more easily transferable. The creation of an electronic European health insurance card figures prominently on the Commission's action plan. The Barcelona Summit decided that this card will replace the paper forms needed for health treatment in another Member State. To this effect, a concrete proposal should be submitted by the Commission in spring

2003. It will simplify health insurance procedures for everyone working in another Member State or travelling within the Union.

Furthermore, companies should focus on the widespread development of life-long learning schemes, supported by EU awards for best practice. Training workers in ICT and e-business skills, with the close involvement of social partners, should be backed up by Europe-wide standards, accreditation and recognition schemes for such skills. A one-stop European Mobility Information Site will also be set up to support mobile EU citizens, and complement the work of EURES, the network of public employment services of the European Economic Area.

The mobility of workers – across the EU and between different occupations – is vital for creating better jobs. It can help enormously in allocating skills where they are needed. For example, we currently have an information technology skills gap to plug, estimated at over one million jobs. Tourism is another area where transnational mobility is important in solving skills shortages. Around a quarter of the vacan-

cies posted in the EURES job database concern the tourism, hotel, catering, and retail sectors.

At present, the share of EU citizens moving to seek jobs across borders is generally low. Only 225,000 people – or 0.1 % of the total EU population – changed their official residence between two countries in 2000, and only 1.2 % moved between regions in 1999. The figure in the USA, though not directly comparable, is around five times higher.

The untapped skills and mobility potential prompted the Commission to push for a European labour market that is "open to all, with access for all" by 2005, in its communication on New European Labour Markets earlier last year. As a follow-up the High Level Task Force on Skills and Mobility, made up of European business and trade union leaders, along with top labour market and education experts was set up.

Skills and mobility (EURES database):
<http://europa.eu.int/eures>



About 200,000 vacancies for workers from other European countries were posted on the EURES site in 2001. The proposed "one-stop mobility site" will further enhance the range of services for people who are prepared to work abroad.

AUSTRIA RECRUITS HOLIDAY RESORT WORKERS FROM ACROSS EUROPE

Austrian regional employment services have teamed up with EURES, the European employment services network, to find badly needed seasonal workers to staff the winter tourist industry.

A project to recruit and train seasonal EU workers for the hotels and tourist services in the Austrian regions of Salzburg, Tirol and Vorarlberg, has been so successful that it has become an annual event.

Every winter, there are 4,000 seasonal jobs to fill in Austria. Last year, EU workers identified through EURES filled 2,700 of those vacancies.

The annual process of attracting workers starts with a seminar with EURES advisers from twelve Member States. Interested candidates can fill in application forms on the spot. Next come advertising campaigns and job fairs in Sweden, Denmark, Norway, Finland and Germany, attracting many more applications. Austrian EURES advisers provide information and interview candidates, sometimes using new technologies like videoconferencing. Those with work experience in tourism are offered German language courses. Job-related training is also made available, for example for kitchen staff.

Students with vocational tourism qualifications are helped in finding traineeships in hotels and restaurants. AMS Kufstein, a Tyrolean local employment service and one of the partners in the project, also gives guidance to EURES advisers from other Member States on mass recruitment techniques in the tourism sector.

Project coordinator Gerlinde Fuchsberger, while delighted with the success of the project so far, has identified two main areas of concern. "Candidates who do not speak German can have problems, so we may expand the language course we run in Salzburg. Our other problem is that sometimes we approach candidates, only to find they have already got a job, so we may increase our use of the Internet to speed up the application process."

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Its report, the basis for the Commission's Action Plan, called for more and better basic language training, higher ICT skills, simpler transfers of pensions and social security rights, and an overhaul of recognition of professions, skills and experience. Lack of information about job options abroad was also highlighted as a problem.

At their Barcelona Summit in March, EU leaders welcomed the Commission's action plan to remove the barriers within European labour markets by 2005, and called on the Council to take the necessary steps to put the proposed measures into practice.

Information:
http://europa.eu.int/comm/employment_social/news/2002/feb/lap_en.html
http://europa.eu.int/comm/employment_social/news/2002/jan/012_en.html

Commission President, Romano Prodi, and Employment and Social Affairs Commissioner, Anna Diamantopoulou, present the proposed European health insurance card. At the Barcelona summit in March, EU leaders decided to replace the current paper forms, to give citizens streamlined access to health care throughout the EU.





Workers gain consultation rights

New EU legislation extends obligations to inform and consult workers on crucial company decisions to all firms with more than 50 employees. This marks a major step in developing appropriate mechanisms for anticipating industrial change and its effects on jobs.

The new directive, adopted on 18 February 2002, sets the minimum conditions for informing and consulting workers in the event of decisions with a major impact on the development of a company, and especially on jobs.

This text marks a major change at European level in this field. Prior to this directive, there had been no general framework for informing and consulting workers about company restructuring or major industrial change. In future, all companies with more than 50



A new EU directive means that major factory closures will no longer come as so much of a shock to their workforces, as they did at Renault in Vilvoorde, Belgium, in 1997.

employees will have to inform their workforce before any crucial decision for the company's future, and consult them on the implications for their employment, particularly if jobs are threatened, and any anticipatory measures, such as training and skills development and other measures increasing the adaptability of employees. Consultations are also compulsory for decisions which are likely to lead to substantial changes in work organisation or in

contractual relations. These cases include mass redundancies, transfers of ownership and mergers.

National governments will draw up their own implementing measures, with sanctions for breaches. They are free to go further than the directive if they wish. Although some Member States already have legislation in this field, others still do not or have it only in limited cases, and will have to adopt it afresh.

This directive reflects the Commission's desire to encourage dialogue between management and employees. In this context, the Commission welcomed the decision by the social partners to introduce a multi-annual work programme for the social dialogue at European level before the end of 2002. Developing industrial relations is also a key element of corporate social responsibility, the concept that an enterprise is accountable for its impact on all relevant stakeholders.

The Commission has launched a political debate on this with its green paper on promoting a European framework for corporate social responsibility of July 2001.

The directive is also based on existing practice in most Member States. Its importance was highlighted by the abrupt closure of the Renault factory in Vilvoorde (Belgium) without the workers being consulted. It was in 1998, a year after the Renault affair, that the Commission first proposed a directive on informing and consulting employees after having unsuccessfully tried for more than a year to convince the European social partners to negotiate an agreement.

As some countries lack any such mechanisms, a three-year transitional period was granted. This should enable the smaller firms in such Member States to adapt progressively to the practice of consulting their employees.

This new directive adds to previous legislation which only obliged firms to exchange views with their workers in specific situations, namely mass redundancies, transfers of undertakings or where a European works council exists. Furthermore, on 8 October 2001 the Council adopted a directive on informing and consulting workers and worker participation in European Companies (SE), a new type of firm established under EU legislation.

Workers in some companies going through restructuring have been consulted. But in others they have not.



Modernising social protection

The social protection systems built by the Member States are a major pillar of the European social model, which aims to combine competitiveness with social justice. But rapid economic, technological, and demographic change is increasing the need to modernise these systems: to sustain adequate pensions and access to quality healthcare for our citizens, and to step up the fight against poverty and social exclusion. The countries of the European Union are working together to make sure that no one gets left out.

The social protection systems of the EU's Member States provide people with income and care in times of need and help them to accept and embrace economic and social change. The financial impact of social protection is immense: we spend 28.5% of our gross domestic product on it – and pensions and health care account for 63% of that amount.

But the world does not stand still. These mechanisms were established decades ago, and they constantly need to be reformed to match the changes society is undergoing.

As a result of healthier life styles, peace and security, and medical progress, life expectancy is rising continually and with it the number of older people. In 2050 we will be living four years longer than we do today. Meanwhile the income we rely on in old age must be provided by a shrinking working-age population, as a result of low birth rates. At the moment, there are four people of working age in the EU to support each pensioner. In 2050 there will only be two.

This means that each hospital patient, each pensioner has to be paid for by fewer working people. What is more, our expectations of medical treatment have risen in tandem with technological progress. Family structures are also changing: more women are doing paid jobs, there are more part-time workers, and more people are living alone.

The speed of economic and technological change in a globalised world adds further challenges for social inclusion and cohesion. We need to master an increasing amount of knowledge, if we are to remain productive. We must expect our jobs to change, and to change our jobs, repeatedly during our lives. This is why life-long learning has become more vital than ever to adapt to the changes in the labour market, and why access to skills is key to fighting social exclusion. The knowledge-based economy does not only create new risks of exclusion. Information technologies and on-line services offer also a wealth of new opportunities to draw disadvantaged people into employment and social life.

All these factors mean that the systems of social protection that Europe is so proud of – including unemployment insurance, health care and old-age pensions – have to move with the times.

European co-operation to bolster national reform efforts

The main responsibility for addressing these changes lies at national level, yet the challenges are Europe-wide, and much can be learnt from good practice in other countries. Over the last decade, EU countries have intensified the scope and quality of their co-operation on employment and social policies. Since the Lisbon Summit in March 2000 the "open method of co-ordination", which has worked well in developing a European

Employment strategy, has gradually been applied also to social inclusion and pensions.

The open method of co-ordination

The open method of co-ordination means that all countries fix common objectives in a given policy area, prepare national action plans, examine each other's performance with Commission guidance, and learn from their successes and failures. It is a new way of working together in the EU – no longer only through legislation, but through a flexible yet structured co-operation among Member States. It is now being applied to social protection.

Four pointers for reforming social protection systems

The modernisation strategy adopted in 2000 rests on four broad objectives:

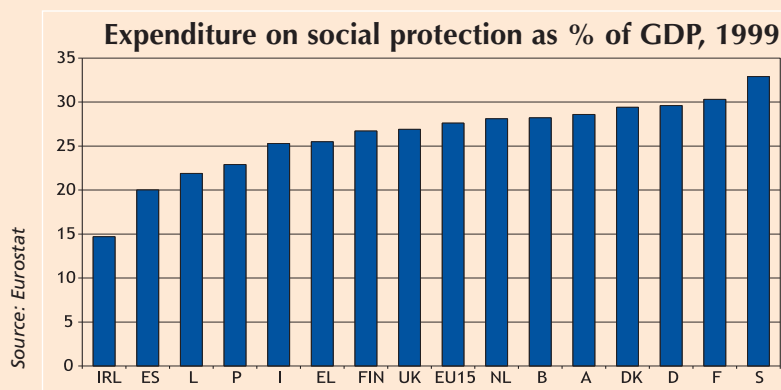
- reforming tax and benefit systems so that working is financially worthwhile
- making pensions secure and sustainable
- promoting social inclusion
- ensuring high-quality and sustainable health care

Information:

A concerted strategy for modernising social protection, COM (1999) 347 final, 14 Jul 99, 16 pp

http://europa.eu.int/comm/employment_social/soc-prot/social/com99-347/com99-347_en.pdf

http://europa.eu.int/comm/employment_social/soc-prot/social/index_en.htm



Stepping up Europe's fight against poverty and social exclusion

Europe's governments have recently agreed on a joint approach to eradicating poverty and social exclusion, based on each country pursuing common objectives and learning from each other's successes. This co-operation reinforces Europe's commitment to an inclusive society, which is both a matter of social justice and a plus for economic growth.

The EU's first joint report on social inclusion, agreed by EU leaders at their Laeken Summit in December 2001, marks a crucial step in co-ordinating Europe's efforts to fight social exclusion and poverty. It analyses the national action plans on social inclusion, the strategies prepared by the 15 Member States in response to common objectives, examines trends and the state of play in each country, and highlights several best practices.

Some 60 million people in the EU are at risk of falling into exclusion as a result of low income. If we did not have social transfers – benefits paid by the state to the individual including e.g. unemployment assistance or family allowances – more than a quarter of the population would be at risk of living in poverty – that is on less than 60% of what is the middle level of income in their own country. As things stand, 18% of the EU population is at risk of poverty.

This risk is particularly high for people who are unemployed, young, old, single parents or parents of large families. Some groups of women are also particularly concerned: 22% of older women living alone, and 40% of single parents. The number of poor people varies widely by country, from 8% of the population in Denmark to 22% in Portugal. Combating poverty and exclusion is first and foremost about social fairness and improving living standards for all. But building a cohesive society is also an economic question: tapping the full potential of human resources that Europe has at its disposal.

This is why European policy on social inclusion is based on the recognition that the best safeguard against social exclusion is a job. It also stresses the need to ensure that rapid changes taking place in our society help to increase social inclusion and do not lead to new types of exclusion. These changes include increased longevity, growing ethnic, cultural and religious diversity resulting

from greater migration, changes in family structures, women's growing workforce participation, the transition to a knowledge-based economy and the use of new information and communications technologies.

Eight core challenges for an inclusive society

Social inclusion should not be reduced just to a matter of low income. It is a multi-dimensional phenomenon. The Commission has defined eight areas where work on social inclusion should be focused. They are: the right to work, an adequate income, education, supporting the family and promoting children's rights, housing, access to services, the delivery of services and regenerating disadvantaged urban and rural areas.

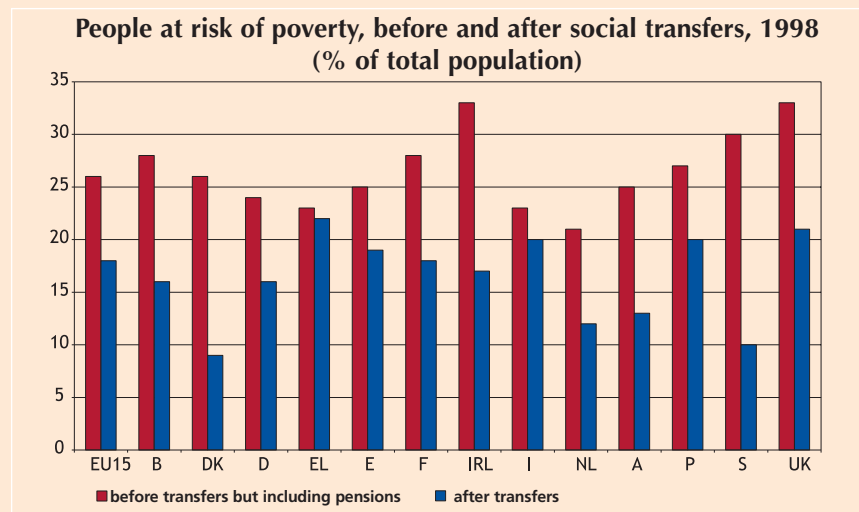
EU leaders have taken up these challenges by defining a co-ordinated approach to social inclusion. In 2000, the Lisbon European Council set out the methodology, and the Nice Summit agreed four common objectives: promoting participation in employment and access by all to resources, rights, goods and services; preventing risks of exclusion; acting for the most vulnerable and mobilising all stakeholders. National action

plans were prepared in the first half of 2001, and the Laeken European Council adopted the EU's first joint report on social inclusion and agreed a set of 18 indicators. A €75 million Community action programme has also been set up to fund Europe-wide projects. The Barcelona European Council in March 2002 invited the Member States to set targets, in their national action plans, for significantly reducing the number of people at risk of poverty and social exclusion by 2010.

For the near future, priorities will be to reinforce the strategic approach of the national action plans, mainstream the issue of inclusion in other areas of policy, to involve key stakeholders – especially NGOs –, strengthen the gender approach to inclusion, raise public awareness, extend the social inclusion process to the accession countries and to promote policy cooperation and exchange between Member States.

Information:

Joint report on social inclusion, COM (2001) 565 final, catalogue no. KT-CO-01-623-**-C, 10 Oct 01, 212 pp.
http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/joint_rep_en.htm



"Source: Eurostat/ECHP"

Welfare benefits significantly reduce the proportion of people at risk of poverty. The level nevertheless varies widely from country to country.

Pensions policy: responding to demographic change

The social exclusion programme 2002-2006

A new programme of Community action to encourage co-operation between Member States to combat social exclusion came on stream in January 2002 and will run till 2006 with a budget of €75 million. It aims to improve knowledge, exchange information and best practice and evaluate existing policies. It will support European projects in four main areas: data collection; policy co-ordination and exchange; networking and capacity building; and monitoring. The various strands of the programme will involve among others national, regional and local authorities, social partners, NGOs, universities and research institutes. It will progressively involve the candidate countries from 2002.

Information:

http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/ex_prog_en.htm

We are living longer and the baby-boom generation will soon start reaching retirement age. But our existing pension systems may not be able to cope. Taking up this challenge, EU Member States are working together to develop policies that will enable us to maintain adequate and affordable pensions. Raising the actual retirement age by encouraging older workers to stay in employment would have a very powerful impact on the financial sustainability of pension systems.

EU countries have to face a major long-term challenge: how to ensure that when the baby-boom generation starts retiring enough money will be there to pay for pensions. Falling birth rates and lengthening lifespans make reforms imperative. Europe's public pensions now account for 10.4% of GDP, and by 2050 this may have to rise by a further 3.2%.

Clearly, the best way to ensure the financial sustainability of our pension systems is to raise employment levels, especially by encouraging older workers to stay longer on the labour market. Today, most of them retire well before reaching the official retirement age – and on average much earlier than in the 1960s, when life expectancy was significantly lower. A report jointly presented by the Commission and the Council to the Barcelona Summit addressed the challenges for increasing labour force participation and promoting active ageing.

EU leaders at Barcelona set a clear objective: in 2010, the age at which Europeans actually leave

the labour market should be increased by five years. Today the European average is 58. Early retirement incentives for individuals and the introduction of early retirement schemes by companies should be reduced. Efforts should be stepped up to increase opportunities for older workers to remain in the labour market, for instance, through flexible and gradual retirement

formulas and guaranteeing real access to life long learning. Progress in this field will be analysed annually before every Spring European Council.

Reforms to make adequate pensions sustainable are a political priority, and Member States are co-ordinating their work. The Gothenburg European Council in June 2001 set out the three requirements. Pension systems must be able to:

- provide all older people with a decent standard of living (adequacy)
- be paid for without disrupting sound public finance or burdening future generations (financial sustainability)
- respond to changing social and individual needs (modernisation).

The EU's Member States are now applying the open method of co-ordination to meeting these three requirements. The Barcelona European Council called for the reform of pension systems to be accelerated. National strategy reports are in preparation and will be presented by September 2002. They will be evaluated in the spring of 2003 to enable Member States to learn from each other in reforming their pensions systems.

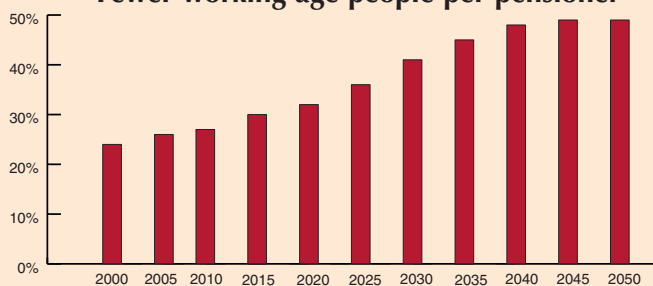
Information:

Supporting national strategies for safe and sustainable pensions through an integrated approach, COM (2001) 362 final, 3 Jul 01, 17 pp

http://europa.eu.int/comm/employment_social/soc-prot/ageing/index_en.htm

http://europa.eu.int/comm/economy_finance/epclepc_ageing_en.htm

Fewer working age people per pensioner



Old-age dependency ratio (%) EU15: this graph shows how between now and 2050, the number of people in the EU over 65, as a share of the number of people between 15 and 64, will grow from 24% to 49%

Source: Commission calculation based on Eurostat – central scenario

High-class healthcare for all – long term

The more effective our healthcare systems are in fighting disease and prolonging life, the higher the demand for ever more sophisticated – and expensive – treatments. Can new ways of keeping us healthy bridge the gap? The challenge across Europe is the same, and a Commission communication proposes three broad common objectives: accessibility, quality and sustainability.



New medical technologies such as CAT scanners will always be in demand – but can our healthcare systems afford them?

On average in the EU, we spend over 8% of gross domestic product on healthcare, a share that over the last 30 years has risen from 5%. This compares to 7.5 % of GDP in Japan and 12.9 % in the US (respectively, 1998 and 1999 figures). Improved healthcare has strongly contributed to prolonging life. Europeans can now expect to live on average for five years longer than they did in 1970. By 2050, 27.5% of the EU population will be over 65 years old, and 10% will be over 80 – over three times as many as today.

How much this will add to total spending on health and long-term care remains to be seen. But when coupled with the declining number of young people at work, it becomes obvious that our existing systems of healthcare and care for the elderly are feeling the squeeze. Meanwhile more women are taking paid work, which means they are not available to provide as much infor-

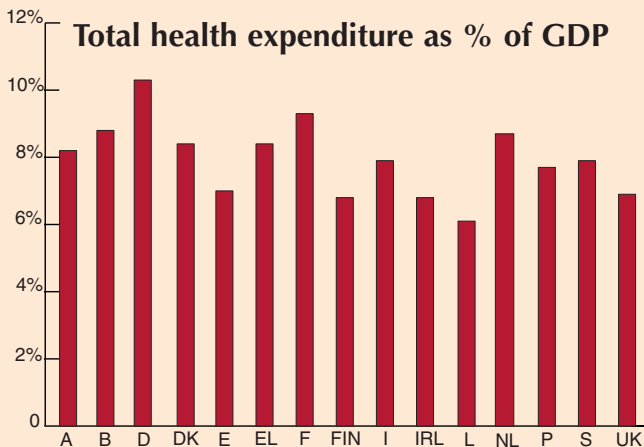
mal care as they used to. And we are demanding a greater say in deciding our own treatment – we no longer unquestioningly accept that “doctor knows best”. Taken together, these factors could mean that looking after our health will get significantly more expensive.

These are the key issues taken up by the European Commission’s communication on healthcare policy, published just before the end of 2001, ahead of the European Council meeting in Barcelona in spring 2002. The idea behind the communication is to help governments learn from each other how best to balance three broad objectives: accessibility, quality and sustainability. The problem is that improving access and quality has a cost, so difficult choices have to be made. The EU’s Charter of Fundamental Rights guarantees access to healthcare, but technical developments such as new medicines and treatments often push costs up

rather than reducing them. Although quality can be expected to be related to cost, higher spending does not always mean better results in terms of health status or life expectancy. A comparative analysis of different delivery systems may yield pointers towards best practice. Whatever policies are adopted, they must be sustainable and affordable in the long term.

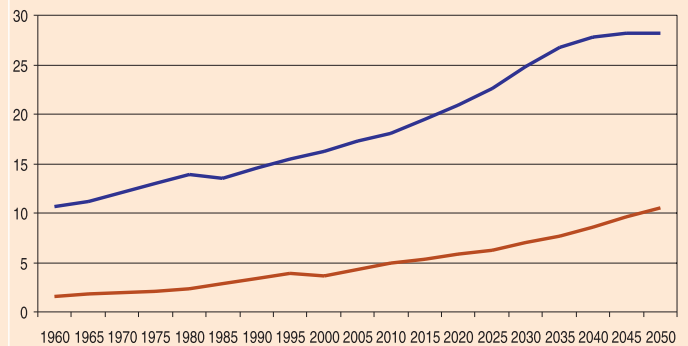
Information:

The future of health care and care for the elderly: guaranteeing accessibility, quality and financial viability. COM (2001) 723 final, catalogue no. KT-CO-01-774-**-C, 5 Dec 01, 24 pp.
http://europa.eu.int/comm/employment_social/news/2002/jan/com2001_723_en.pdf



1999 data; 1998 for D, S, UK, IRL, E, EL
 Source: OECD Health Data

The ageing EU population



— Proportion of population aged 65 years and more (%)
 — Proportion of population aged 80 years and more (%)
 Source: Eurostat; baseline scenario projection (2000 - 2050)



Economic and cultural factors combine to mean that European men take only 2% of parental leave – even though it is theirs by right.

Family is not just a woman's affair

Reconciling work and family life is not a new subject. But in 2002 it will be a priority for the EU's gender equality programme - with the focus firmly on men. This should also help to reduce the resistance of fathers to taking up parental leave.

This year, the Commission has decided to focus its actions under the EU's gender equality programme on work-life balance, funding transnational projects which encourage a better division of family and care chores between women and men. Increasing the uptake of parental leave by men is one of the challenges addressed.

Through the EU's gender equality programme (2001-2005) € 50 million are available to fund awareness-raising measures, analysis and evaluation of policies affecting equality, and develop the capacity of key players, such as national authorities, social partners and NGOs, to

promote gender equality effectively, in particular through support for the exchange of information and good practice and networking at Community level. Each year, a priority theme is selected in order to maximise the impact of initiatives and cover by and by all objectives of the framework strategy on gender equality. Women in decision-making and gender roles and stereotypes will be the priorities for the next two years, further to this year's focus on work-life balance.

The up-take of parental leave by fathers is important for making the reconciliation of work and family a reality for both, women and

men. Since its introduction six years ago, the directive on parental leave has guaranteed parents at least three months' leave following the birth of a child, in addition to maternity leave. The entitlement is applicable to either the mother or the father. However, the reality today is that just 2% of parental leave is taken by men.

A whole series of structural and cultural factors discourage men from taking time off work for family reasons. First of all, parental leave is not paid in many countries. And even when it is, the pay is low and subject to a number of conditions which lead to a considerable loss of earnings. Also, households are generally more inclined to sacrifice the lowest wage, which is likely to be the woman's. In Finland and Sweden, where men are paid between about 70% and 80% of their salary during parental leave

- considerably more than in other Member States - a much greater proportion of men take parental leave than elsewhere.

Furthermore, while it is accepted by employers and colleagues that women take time off or go part-time when they become mothers and are faced with the problem of a lack of child care facilities or the need to look after elderly parents and disabled family members, a rather dim view is taken of any man who does the same - to the point where his career could be at stake.

Alongside the focus on parental leave, the 2002 objectives under the gender equality programme include ways of developing adequately financed care services, the analysis of the impact of benefits/allowances and tax systems for parents, as well as the improvement of the status of care work and ways to encourage men into it. A better match between working and family life is also one of the priority themes of the Community initiative, EQUAL, which is designed to explore new ways of combating inequality in employment, and has an overall budget of €3 billion over six years.

Reducing the pay gap between men and women

In 2001, through its framework strategy on gender equality and the related funding programme, the Commission gave priority to reducing the pay gap between men and women. This is not just a matter of principle: the move should also make it possible to increase both the level and quality of employment.

An indicator for salary differences between women and men is now included in the structural indicators of employment used to measure progress in implementing the economic and social strategies defined at the Lisbon Summit. This has highlighted the fact that, according to the latest available figures from 1998, women in the EU earn on average only 84% of the wages of men. This indicator, measuring average gross hourly earnings of females as percentage of average gross hourly earnings of males, varies considerably among the Member States, from 76 % in the UK to 94 % in Portugal.

To identify more precisely the different dimensions of the gender pay gap and ways to reduce it, nine quantitative and qualitative indicators were defined during the Belgian EU presidency. They also respond to ongoing international activities in the follow-up to the platform for action agreed at the World conference on women in Beijing in 1995.

Information:

Gender equality (including information on equal pay and reconciliation):

http://europa.eu.int/comm/employment_social/equ_opplindex_en.htm

Gender equality funding programme:

http://europa.eu.int/comm/employment_social/equ_opplfund_en.html

Gender mainstreaming:

http://europa.eu.int/comm/employment_social/equ_opplgms_en.html

EQUAL initiative:

http://europa.eu.int/comm/employment_social/equalindex_fr.html

Women aerospace engineers are still a rare sight. Gender segregation remains a problem - about a quarter of workers in Europe are in an occupation where one sex dominates.

PROMOTING GENDER-NEUTRAL JOB DESCRIPTIONS

A Belgian project on gender-neutral job description which compared practices in Ireland and the Netherlands will lead to changes in Belgium's own pay discrimination rules.

The Belgian Federal Ministry for Employment and Labour launched a project under the EU's fourth Community action programme for equal opportunities for women and men to try to take on board best practices in reducing the pay gap.

The project examined legislation and practice in Ireland and the Netherlands aimed at ensuring that different jobs based on the same level of skills, responsibility and efforts are paid equally. The final report, from classification to remuneration, identified ways of transferring such techniques to Belgium. For example, unions cannot properly represent individuals in equal pay disputes, as they are often simultaneously negotiating with management over general pay levels – a conflict of interest. In the Netherlands, government-funded interest groups represent such individuals, while in Ireland the Employment Equality Agency takes up cases.

The project has had two concrete results. A manual promoting gender-neutral job profiles has already been published. It sets out a method which prevents gender discrimination when evaluating and classifying professions and functions, covering titles, aims, rank, activities, budget and responsibilities of a job. Furthermore, the ministry intends to modify Belgian legislation by 2003, so as to bring in gender-neutral job descriptions and independent bodies to represent workers in equal pay disputes.

Information:

<http://www.meta.fgov.belpd/pdi/frdi04.htm>



Bringing a s to the EU's c

Almost two-thirds of private-sector jobs in the EU are in small and medium-sized enterprises. They are an important target for local employment strategies.



The European employment guidelines for 2002 put an emphasis on local development and called for the involvement of local and regional players, backed up by the financial support of the European Social Fund. To step up these efforts, a recent Commission communication sets out new ways to capitalise on local experience across Europe.

The EU's financial backing for local action has been reinforced in the 2000-2006 national programmes of the European Social Fund (ESF). Local development must be taken into account in all policy priorities of the ESF, including active labour market measures and gender equality. Grants should be made available to civil society organisations and local partnerships. The Community initiative Equal has a € 2.8 billion budget for anti-discrimination and exclusion policies, based on key principles of local development like bottom-up strategy, partnership and empowerment. In addition, the innovative measures funded under Article 6 of the ESF Regulation, which promote new approaches and identify good practice, encourage close co-

Strong local dimension employment strategy



operation between European institutions and national, regional and local governments, as well as the social partners.

Strengthening the local dimension of the European employment strategy is at the core

of a communication presented by the Commission in November 2001. It stresses the added value Europe can have by promoting the exchange of information and links between the local, national and EU levels. The dissemination of best practice in local employment policies, among and within the Member States, is a key element in this approach. The Commission also encourages the development of local employment strategies in tune with the national action plans on employment, which are drawn up annually by the Member States under the European employment strategy.

A broad, integrated approach of local development is essential: creating more and better jobs in tandem with greater gender equality, social inclusion, economic development and innovation. The Commission is calling for particular attention to be paid to gender equality as it is at local level that gender action can be most effective.

The local level is also particularly fertile ground for testing and developing new forms of job creation, training, and services for people at risk of exclusion. To tap this local experience, the active involvement of regional and local actors is not only essential for the delivery, but also for the design of employment and inclusion policies.

Therefore, the European Employment Guidelines for 2002 place strong emphasis on local action, and call for all stakeholders to do their bit in identifying "the potential of job creation at local level", and in strengthening partnerships.

The EU-wide local development forum scheduled for 2003 will give a further impetus to exchange views and experience on making local action work in Europe.

Information:

Communication from the Commission to the Council, European Parliament, Economic and Social Committee and the Committee of the Regions: Strengthening the local dimension of the European Employment Strategy, COM(2001)629 final

http://europa.eu.int/comm/employment_social/ld/index_en.htm

http://europa.eu.int/comm/employment_social/empl&esflees_en.htm

TRANSNATIONAL NETWORK IMPROVES SKILLS IN THE TEXTILE INDUSTRY

Greek sportswear company, Fanco, joined a project with four other Greek and Danish textile businesses to create a transnational network. Their co-operation opened up new ways of developing skills and work organisation tailored to the local challenges the companies face.

One of the keys to business success in today's global marketplace is an adaptable workforce, able to tailor its skills to new demands. The aim of the "Business Networking" project run by three Greek and two Danish companies was to develop a more flexible approach to the problems facing the textile industry, in terms of work organisation, communication skills and cultural understanding in an international business environment.

The project received over €170,000 from the Adapt (Adaptation to Industrial Change) Community Initiative in 1998, as well as about €57,000 from national funds and €25,000 from private sources. Adapt was set up to help companies and workers in developing

new approaches to anticipate and adapt to industrial change. Maria Alexiou of Fanco, the Greek company leading the project, says her industry should be "open and global, as it faces global problems in sourcing, pricing and movement of capital, but in fact it tends to be more introverted and focused on specific, local problems."

To combat this attitude, the project included training seminars to improve communication skills and to adapt work organisation. It also aimed to develop conflict management skills and encourage problem solving. Emphasis was placed on motivating employees to structure their own career plans and on ensuring equal opportunities for men and women. Methods used were work-

shops, discussion groups, and role-play training exercises, which proved particularly helpful in overcoming cultural barriers.

The result of the project has been the development of a European corporate network, supporting the exchange of good practice. The seminars have produced educational material including a training CD-ROM, and introduced a new professional standard of multi-skilled, multi-functional employees. The project has been doubly effective, as the skills learned in transnational co-operation can also be applied locally.

Information:

<http://www.fanco.gr>

News in brief News in brief News in brief News in brief

GENERAL

■ 14-15 December 2001: The Laeken European Council reconfirms the priority of the Lisbon target of achieving a 70 % EU employment rate by 2010. It endorsed the annual employment package, including the employment guidelines for 2002, the recommendations to the Member States and the joint employment report.

Laeken also marked important steps forward in the area of social protection, with the joint report on social inclusion, progress on pensions and a call for a similar approach in healthcare and care for the elderly. EU leaders also strengthened the role of the social partners by establishing the Social Summit as a new forum on the eve of each Spring European Council.

■ 15 January 2002: The Commission adopts its spring report for the Barcelona European Council entitled *The Lisbon Strategy: Making Change Happen*. Almost two years ago, the Lisbon European Council set the ten-year goal of making the European Union the world's most dynamic, competitive, sustainable knowledge-based economy, enjoying full employment and strengthened economic and social cohesion. The report reviews progress to date and proposes priority issues to be addressed urgently in order to achieve the Lisbon goals.

■ 19 February 2002: Complementing the annual synthesis report, the Commission submits the second annual scoreboard tracking progress in the implementation of the Social Policy Agenda, the five-year roadmap for European employment and social policies.

■ 15-16 March 2002: At its Barcelona meeting, the European Council reiterates its Lisbon aspiration of full employment by 2010. Along with economic reform and the knowledge society, active policies towards more and better jobs were highlighted as an area for priority action. The Summit underlined the importance of the European social model and stressed the need to bring about balanced efforts on both the economic and social fronts. In particular, the Summit conclusions included the following:

Council set out principles for reinforcing the European employment strategy at its mid-term review later this year. It called for better tailored employment policies, including measures to increase the effective average retirement age by five years by 2010. On equal opportunities con-

crete EU level targets for child care facilities were also set. EU leaders welcomed the Commission's action plan on skills and mobility and, in this context, decided to introduce a European health insurance card.

Council called on Member States to establish targets for a significant reduction in the number of people at risk of poverty and social exclusion by 2010. It commissioned further work on ensuring safe and sustainable pensions and on healthcare and care for the elderly.

EU leaders welcomed the contribution of social partners at the Social Summit on the eve of the European Council and urged them to harness their strategies to the Lisbon objectives.

EMPLOYMENT AND EUROPEAN SOCIAL FUND

■ 9 November 2001: The Commission adopts a communication on strengthening the local dimension of the European employment strategy.

■ 20 December 2001: The independent High Level Task Force on Skills and Mobility presents its final report to the Commission on obstacles to real labour mobility in the EU.

■ 24 January 2002: The Commission presents a draft joint report on increasing labour-force participation and promoting active ageing. The document was adopted on 7 February 2002 as a joint report from the Commission and the Council and submitted to the Barcelona European Council.

■ 13 February 2002: The Commission adopts the action plan on skills and mobility.

WORK ORGANISATION, WORKING CONDITIONS AND SOCIAL DIALOGUE

■ 8 October 2001: The Council adopts the regulation on the European Company Statute and the annexed directive on worker involvement.

■ 8 October 2001: The social partners in the agency work sector agree on a joint position with a view to a future European directive on agency work.

■ 12 October 2001: Launch of the European social partners negotiations on telework.

■ 23 October 2001: Opening of the European Monitoring Centre on Change (EMCC) in Dublin, which focuses on economic and social change resulting from developments and shifts in technologies, work organisation, production and business models, legislation, working practices and changing skills requirements.

■ 13 December 2001: The Social Summit, held between the current and future EU Presidencies, social partners and the European Commission on the eve of the Laeken European Council, takes stock of the social dialogue at EU level since its launch 16 years ago and identifies ways to strengthen it. The aim of the EU social partners, set out in their joint declaration, is to draw up a multiannual work programme for the social dialogue.

■ 15 January 2002: The Commission decides to launch a formal consultation with social partners on how businesses and workers can anticipate and manage the social effects of corporate restructuring.

■ 18 February 2002: Following successful conciliation between the Council and the European Parliament, the directive establishing a general framework for informing and consulting employees in the European Community and the directive on the organisation of the working time of persons performing mobile road-transport activities are adopted.

■ 18 February 2002: The Council agrees a common position with a view to adoption of the insolvency directive (revision of Directive 80/987/EEC).

■ 14 March 2002: The Social summit, bringing together the current and future EU Presidencies, the social partners, and the Commission, meets on the eve of Barcelona. The issues addressed included a joint framework for action on lifelong learning presented by the social partners.

PROMOTING AN INCLUSIVE SOCIETY

■ 5 December 2001: The Commission adopts the communication on the future of health care and care for the elderly: guaranteeing accessibility, quality and financial viability.

■ 7 December 2001: Adoption of the social exclusion programme.

■ 21 January 2002: Approval of the anti-discrimination work programme 2002. Pre-information notice on forthcoming calls for tender published on 2 March 2002.

■ 6 February 2002: The Commission adopts a proposal to end discrimination against third-country nationals who are currently unable to maintain their social security rights when they move between EU countries to live or work. The twin objectives of the initiative are to help the integration of third country nationals by providing for comparable rights and obligations to those of EU citizens and to encourage mobility of workers.

GENDER EQUALITY

■ 4 December 2001: An Afghan women's summit for democracy meets in Brussels to act as a sounding board for women in the discussion about the rebuilding of a new Afghanistan, and in particular about women's participation in decision-making. The summit, organised by the European Women's Lobby, UNIFEM and Afghan women themselves, was opened by Commissioner Anna Diamantopoulou and gave a chance to fifty Afghan women's leaders to make their voice heard.

■ 17 December 2001: Adoption of the Commission's gender equality work programme 2002.



News in brief

■ 18 February 2002: A ministerial conference, organised by the Spanish Presidency in co-operation with the Commission, addresses ways to prevent violence against women.

■ 8 March 2002: International Women's Day. Commissioner Anna Diamantopoulou speaks out against double burden of gender and racism on Islamic women at the conference on Muslim Women in Europe: voices to be heard in the intercultural dialogue.

EMPLOYMENT AND SOCIAL DIMENSION OF THE ENLARGEMENT

■ 12 February 2002: Lithuania and the Commission sign the Joint Assessment of Employment Policy Priorities. The joint assessment paper (JAP) builds on a joint definition of priorities in the employment policy of a

candidate country shadowing EU employment strategy in the run-up to accession. So far, JAPs have been signed with nine other candidate countries – the Czech Republic and Slovenia in 2000, and Poland, Estonia, Malta, Hungary, the Slovak republic and Cyprus in 2001.

■ 13 February 2002: A high level meeting between the Commission and candidate countries maps out an increased co-operation on employment and social inclusion ahead of enlargement.

Forthcoming events

■ 25-26 April: Seminar on social security and new forms of organisation of work - atypical employment, organised by the Spanish Presidency in Toledo.

■ 13-15 May: Conference of Ministers responsible for social security from Europe and Latin America on the European social model and the social security reform processes in Latin America in Valencia (Spain).

■ 16-17 May: Conference in the context of mainstreaming of the EQUAL Community Initiative, EQUAL: NetWORKing for Inclusion, in Barcelona (Spain).

■ 21-23 May: Conference on safety and health of the pregnant workers in Santiago de Compostela (Spain).

■ 27-29 May: Conference on the social economy in Salamanca (Spain).

■ 26-31 May: XVI World congress on safety and health at work in Vienna (Austria).

■ 3 June: Council meeting of Ministers of Employment and Social Policy in Luxembourg.

■ 14-15 June: Seminar on structural funds, women and employment in Santander (Spain).

Employment and Social Affairs Council: from the Belgian to the Spanish Presidency

On **8 October 2001**, the Employment and Social Affairs Council adopted the regulation on the statute for a European Company and its supplementing directive with regard to the involvement of employees. This concludes 31 years of discussion on the creation of the European Company, a key element in completing the internal market. Furthermore, this meeting prepared the employment package and social protection issues agreed later in December, and adopted a resolution on the opportunities of the Information Society for social inclusion.

On **3 December 2001**, the Council made an important step forward in the area of social protection by agreeing on the first joint report on social inclusion and putting forward common objectives concerning pensions. It also finalised the annual employment package in preparation of the December Summit of EU leaders in Laeken, including the joint employment report 2001, the recommendations to the Member States, and the employment guidelines for 2002. The most important innovation for 2002 is the introduction of a new horizontal objective for quality in employment. Related to this, indicators on quality in work were defined. Among other issues, this meeting also identified key parameters for the modernisation of the regulation coordinating social security systems for migrant workers, drew conclusions on social mediation and reached political agreement on the Council's position for a directive on the protection of employees in the event of their employer's insolvency.

On **18-19 January 2002**, the informal meeting of Employment and Social Affairs Ministers in Burgos (Spain) held a political debate on the future development of the European strategies in the employment and social fields, with a view to the Barcelona Summit in March and the review of the employment strategy later this year. Top of the agenda was a reiteration of the Union's undertaking to get the number of working age citizens in employment up from the current 64% to 70% by 2010, despite the recent economic slowdown. Ministers also addressed their co-ordinated efforts on pensions reform. On the first day of the meeting, representatives of the European Parliament and social partners contributed to the political debate.

On **7 March 2002**, the Council focused on the preparation of the EU Summit in Barcelona. An orientation debate served as a basis for Presidency conclusions from the Employment and Social Affairs Council to the Summit. The discussion was based on the Commission's annual synthesis report and the scoreboard on the Social Policy Agenda and was furthermore linked to the joint Commission/Council report on increasing labour force participation and promoting active ageing and a series of documents related to skills and lifelong learning, including the report from the High Level Task Force on Skills and Mobility. Another key item of this meeting was a televised public debate on violence against women, which marked an important step forward on this issue at European level. Among several other items, the Council also addressed the Commission's proposal for revision of the asbestos directive.

Recent publications



■ EU employment and social policy 1999-2001. Jobs, Cohesion, Productivity

This major publication, available free of charge in the eleven languages of the European Union, sets out the achievements of the employment and social policy since the start of this Commission in October 1999. It focuses on the European Union's overall approach to modernisation of the European social model, an approach which is geared towards dynamic interaction between economic, social and employment policies.

Catalogue number: KE-38-01-681-**-C, ISBN 92-894-1533-9 (EN)

http://europa.eu.int/comm/dgs/employment_social/key_en.htm

■ Joint report on social inclusion

This first joint report on social inclusion documents and analyses the fight against social exclusion and poverty across all Member States and identifies the key challenges for the future. It will shortly be available in printed format in German, English and French.

Catalogue number: KE-42-02-521-**-C, ISBN 92-824-3222-5. (EN)

http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/joint_rep_en.htm

■ MISSOC 2001 - Social protection in the EU Member States and the European Economic Area – situation on 1 January 2001

This publication of the mutual information system on social protection (MISSOC) details developments in the social protection schemes in the Member States of the European Union and European Economic Area. It is available free of charge in German, English and French.

Catalogue number: KE-AE-01-001-**-C.

http://europa.eu.int/comm/employment_social/missoc2001/index_en.htm

■ Employment in Europe 2001 - Recent trends and prospects

The latest edition of this annual report presents a detailed overview of recent changes in the employment market. It includes analysis of supply and demand trends, macro-economic changes related to the knowledge-based economy, the quality of employment and its role for social inclusion, and regional employment trends. Finally, the report examines the employment performance in accession countries. Available free of charge in German, English and French.

Catalogue number: KE-38-01-762-**-C, ISBN 92-894-1475-8 (EN)

http://europa.eu.int/comm/employment_social/empl&esf/docs/empleurope2001_en.pdf

■ Employment in Europe 2001 - Autumn Update:

Based upon the Commission's autumn forecasts, this report describes the employment implications of the recent economic slowdown and the September 11 terrorist attack. It provides an analysis of sectoral employment trends, and discusses the Union's resilience to macroeconomic shocks, its capacity to adapt to change, and the role of confidence for employment performance. Available on line only in German, English and French.

http://europa.eu.int/comm/employment_social/news/2002/jan/cce_en01_final.pdf

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Useful web site addresses:

The home page of Commissioner Anna Diamantopoulou:
http://europa.eu.int/comm/commissioners/diamantopoulou/index_en.htm

The home page of the Commission's Directorate General for Employment and Social Affairs:
http://europa.eu.int/comm/dgs/employment_social/index_en.htm

The Commission's thematic Employment and Social Affairs web-site:
http://europa.eu.int/comm/employment_social/index_en.htm



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