

PRINCIPLES OF EMPLOYMENT POLICY IN EUROPEAN UNION COUNTRIES

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Employment policy represents in the European Union a very important component part of the integrated social policy of its member states. It is one of the politics which are coordinated not only on the supranational but also on the national and regional levels. Another its important feature is the fact that this policy is based on the idea stressing the necessity to integrate all interested partners into their long-term cooperation on all possible levels. What concerns the supranational framework, its especially significant instrument is the European Social Fund formed in 1958.

Decisive long-term aims of the EU social policy - including employment policy - are defined in the so called „Objectives” implemented first of all through the following Structural Funds:

- **European Regional Development Fund**
- **European Agricultural Guidance and Guarantee Fund**
- **European Social Fund**
- **Small and Medium Enterprises Fund**
- **Integrated Development Operations Fund** and
- **Financial Instrument for Fishing Support.**

Primary importance among mentioned instruments is played by the **European Social Fund** which one of priorities is the regulation of the European labour market. The equal access to labour market is guaranteed to all EU countries inhabitants in the principal legal documents.

Problems of employment and requalifications of workers and other employees as well as the solution of the situation of unemployed people are regularly solved practically by all European Union institutions. *The European Council meeting held in Luxembourg in November 1997 which determined the necessity of member states to work out national employment programs played extremely important role in this sense. Further important event was the so called European Congress of the European Social Fund held in May 1998 in British Birmingham.*

The Luxembourg European Council meeting in 1997 adopted *several Directions* concerning the solution of four key problems:

- **labour market integrity increasing,**
- **further rising the quality of economic environment,**
- **adaptability of entrepreneurial subjects increasing,**
- **employees adaptability improvement.**

As far as the problem of the adaptability increasing is concerned the aim is the more effective reaction to rapid changes in the economic sphere and simultaneously the creation of

more favourable presumptions for equal opportunities at the labour market for men a women as well as for minorities.

The mentioned Birmingham congress discussed especially the following problems:

- **long-term unemployment,**
- **unsufficient number of labour opportunities for young people (till 25 years of their age),**
- **employment of especially endengered groups of inhabitants (disabled and homeless people, mental disabled people a former prisoners),**
- **effective adaptability for changes, firts of all in the industrial sector,**
- **equal opportunities.**

The most important common goal of the European employment policy is the long-term decreasing of the number of unemployed people connected with the implementation of structural reforms and the grow of the workforce mobility. The increasing workers and employees qualification and the creation of new workplaces have the extraordinary importance. These priorities - as it was underlined, for example during the Birmingham European congress and especially in the Amsterdam Treaty - is possible to achieve only on the basis of the „partnership principle”.

Situation in EU Member States Labour Market

The long-term unemployment became-as it was indicated - the principle problem of the European employment policy in the 1990s. According to Eurostat (the EU Statistical Office situated in Luxembourg) data the average rate of unemployment in the European Union, achieved 10.8 per cent in December 1996 (about 18 million people were unemployed). Moreover, Eurostat figures document the fact that in the period 1985 - 1990 about 10 million workplaces were created in the European Union countries. However, in the next five years (1990 - 1994) nearly 6 million workplaces were abolished (in Italy 1.7 million, in Germany around 1 million, in the United Kingdom approximately 900 000, in Spain, Finland and Sweden roughly 800 000 each).

The situation at the European labour market was improved a bit in 1995 when the number of all EU workplaces was increased for 1 per cent and in 1997 (the increase for 1.7 per cent). Thanks to this positive development the unemployment rate in the United Kingdom was 6.2 per cent in 1998. In the same year the rate of unemployment in Ireland was decreased from 11.9 per cent to 9 per cent, in Belgium from 9.8 per cent to 8.9 per cent, in Netherlands from 6.3 to 4.2 per cent and in Denmark from 7 to 4.2 per cent This year the rate of unemployment in the European Union was 9.9 per cent.

The highest unemployment rate was in Spain (18.5 per cent) and the lowest one in Luxembourg, the Netherlands, Austrian and Denmark (2.2 - 4.7 per cent).

The most significant problem was, however, represented by the fact that approximately 22 per cent of unemployed people were represented by young people in the age till 25 years.

As far as the regional dimension of the unemployment is concerned the most affected regions were in Southern Italy, Spain and Finland (approximately 26.4 per cent of inhabitants

were out of work). For example, in Andalusia (South of Spain) 33.3 per cent people were unemployed in 1995.

Public Expenditures for Employment Policy in European Union Members Countries

European Union member states have been giving **for the employment policy as well as the solution of problems connected with the unemployment** about 220 billion of ECU every year together. Those financial means are provided especially in the following forms:

- **payments of financial supports to unemployed people,**
- **payments of premature pensions,**
- **supports provided to health and socially disadvantaged people,**
- **payments of trainings and requalifications,**
- **supports provided to young people (till 25 years of their age),**
- **payments of employment services.**

The mentioned figures indicate that the financial means from state budgets are used first of all for the improvement of the labour market as well as for the direct material support of unemployed people (including the payments of premature pensions). Those payments represent about 3 per cent of the gross domestic product of EU member states. Moreover, approximately 1 per cent of GDP is invested into the active employment policy oriented especially on training and requalification programmes financing and on the new workplaces creation. In 1996 the most finances on employment policy were invested in the Netherlands (5.44 GDP) and in Denmark (5.41 GDP).

Implementation of European Union Employment Policy Principles

The long-term concept of the European Union employment policy is implemented especially on the basis of concrete projects worked out both on the supranational and on the individual member states national levels. Speaking about the supranational level, the most outstanding are **ADAPT** and **EMPLOYMENT** programmes (for example, only in 1997 2 250 individual and group projects in the framework of ADAPT and about 3 600 project in the framework of EMPLOYMENT have been begun).

The ADAPT represents a very concrete programme (implemented since 1995). Its basic approach comes from principles stressed in the so called „***European Union White Book about Growth, Competition and Employment***“ approved by the European Council in **December 1993**. Its essence is the **provision of assistance in workers and employees adaptation to changes realizes**, first of all, **in the industrial sector**. 3 400 million ECU were afforded for the implementation of that programme in the period 1994 - 1999.

Programmes **NOW**, **HORIZONT**, **YOUTHSTART** and **INTEGRA** are EU programmes **closely connected with ADAPT and EMPLOYMENT**.

The main goal of NOW (connected with EMPLOYMENT programme) is to guarantee the equal labour opportunities for men and women. The main aim of HORIZONT programme (connected with ADAPT programme) is the assistance provided to workers and employees

from industrial branches of national economies with the aim of their more effective adaptation to changes in the industry. The YOUTHSTART programme is oriented towards the improvement of young people possibilities to get work. The main aim of the INTEGRA programme is the assistance provided to disadvantaged groups of inhabitants.

Nowadays a special attention is devoted to YOUTHSTART programme in which framework about 20 per cent of all the European Social Fund financial means coming from public as well as private sources were invested in the period 1994 - 1999. It is the significant evidence of the fact that the employment policy is one of the most outstanding European Union priorities.

Several important legal documents approved in the European Union during the 1990s confirmed the role played by the employment policy. One of the most privileged documents among them is the European Commission *Green Book* called officially "*Life and Work in Information Society: People as the First*" adopted in July 1996. It was underlined in this Book - among others- that the second half of 1990s was characterized especially by the more and more **intensive information technologies implementation in different spheres of member states social life**. Such an orientation is characterized in the „Green Book! As a „new labour culture”.

The framework characteristics of employment policy in EU countries is made in this „Green Book”. It was stressed here that only one third of member states worked out the long-term programmes of the unemployment problems solution and that only six member countries worked out programmes of trainings and requalifications in 1996.

The following needs were determined as key goals of the EU employment policy for the second half of 1990s :

- **further markets and entrepreneurial activities internationalization,**
- **changes in production processes with the stress on more intensive new technologies implementation,**
- **employment restrictions in several traditional industrial branches and the creation of new workplaces ,first of all in services sectors,**
- **growing utilization of labour for limited work activities.**

Further priorities were explained in Objectives. They are:

- **preferential development of economically, socially and culturally less developed regions,first of all of mountain regions and islands (with the European Fund for Regional Development financial means utilization established in 1975- the Objective Nr. 1),**
- **efforts for territories handicapped by the industrial production regeneration (the Objective Nr. 2),**
- **activities aimed at the long-term restriction of unemployment and at new workplaces creation (the Objective Nr. 3),**

- assistance in the adaptability of workers and employees from production sectors increasing with a special attention to workers requalifications (the Objective Nr. 4),
- activities in favour of the support of agrarian regions development, the agriculture and fishing restructuring (the Objective Nr. 5),
- activities aimed at the workplaces creation in less settled regions (the Objective Nr. 6).

The ratification of the Amsterdam Treaty presupposing - among others - the common employment directions working out and containing some recommendations addressed to member states become a new impulse for the European employment policy activation.

The European Union employment summit held in Luxembourg in 20th and 21st November 1997 committed the member states the duty to work out national action plans. These plans were assessed for the first time at the European Council meeting held in Cardiff in 15th and 16th June 1988.

Recommendations were formulated in 19 Directions divided into 4 Pillars. Directions were structured in the following way:

Pillar Nr. 1: Improvement of Employment Measures

- Direction Nr. 1: the requirement to decrease young people unemployment,
- Direction Nr. 2: activities aimed at the long-term unemployment prevention,
- Direction Nr. 3: transition from passive to active employment measures,
- Direction Nr. 4: cooperation of social partners encouragement,
- Direction Nr. 5: whole-life education and training systems development,
- Direction Nr. 6: graduates of schools transition from schools to labour activities enabling,
- Direction Nr. 7: relevant skills development (with the accent to training),

Pillar Nr. 2: Entrepreneurial Activities Development

- Direction Nr. 8: foundation and development of entrepreneurial activities enabling,
- Direction Nr. 9: assistance in independent working activities promotion,
- Direction Nr. 10: all-round utilization of opportunities for new workplaces creation,
- Direction Nr. 11: system of taxation employment stimulation,
- Direction Nr. 12: VAT for intensive work services decreasing.

Pillar Nr. 3 : Adjustment of Firms and their Staff Encouragement

- Direction Nr. 13: organization of labour modernization,
- Direction Nr. 14: labour legislation revision,
- Direction Nr. 15: enterprises adjustment support.

Pillar Nr. 4 : Equal Opportunities Policy Strengthening

- Direction Nr. 16: differences in men and women employment balancing,
- Direction Nr. 17: labour and family life harmonization,
- Direction Nr. 18: return of men and women in labour process facilitating,
- Direction Nr. 9: incorporation of disabled people into working activities.

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