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15TH ANNIVERSARY CONFERENCE OF THE EURES NETWORK "EURES@15 & BEYOND" 16 & 17 NOVEMBER 2009, BRUSSELS

**PLENARY SESSION 1: "EURES IN TIMES OF CRISIS: WHERE ARE THE JOBS?"
MONDAY, 16 NOVEMBER 2009, 10:30- 11:30**

**SPEAKING NOTES FOR THÉRÈSE DE LIEDEKERKE,
MANAGING DIRECTOR OF BUSINESSEUROPE**

1. On the economic crisis

- The recession is now drawing to a close in Europe. However, there is no reason to be too complacent. Recovery is still fragile and difficult challenges lie ahead. BUSINESSEUROPE is particularly concerned about the deterioration on labour markets. In our latest Economic Outlook, we predict 10 million job losses in 2009-2010 in the EU. The EU unemployment rate stands at its highest level since January 2000 (9.2% in September 2009). Young people in particular are hard hit.
- Current measures to preserve jobs, such as short-time arrangements, have proven to be useful to mitigate the effects of the crisis. However, they are temporary and should remain so. The absolute priority is to put in place the conditions for companies to invest and create jobs. This requires to
 - ensure access to finance,
 - keep markets open and fight protectionism (in the single market and worldwide),
 - prepare a strategy to go back to sound public finances (to be implemented as soon as the recovery is confirmed),
 - speed up structural reforms, notably reforms of our labour markets and social systems.
- We must prevent rising unemployment from becoming entrenched. Facilitating job creation and avoiding benefit dependency is key to enable labour markets to recover from the downturn.
- Implementing the agreed flexicurity principles. The core components of flexicurity are flexible and reliable contractual arrangements, modern social security systems, comprehensive lifelong learning strategies, and active labour market policies.



- Flexicurity aims at providing employment security rather than job security, It facilitates labour re-allocation to new and dynamic sectors by facilitating the creation of new jobs and supporting people during transitions. It helps to increase mobility, to develop skills and to enhance labour participation. Having efficient employment services and smoothly operating networks of these services as EURES is indispensable for a successful implementation of flexicurity policies.

2. The role of public employment services

- In the crisis

- Public employment services will now have to play a vital role to prevent unemployment from becoming entrenched. They will have to adapt to the specific needs of the current labour market situation to cope with the considerable increase in the number of unemployed. To this end, public employment services need to enhance the provision of services for job matching, counseling and career guidance.
- Good example how this challenge has already been addressed, are:
 - the hiring of additional staff (in Germany, Norway, Spain and the UK),
 - working in partnership with private employment agencies to increase the chances of finding a new job for the unemployed,
 - individualized job matching service and employment guidance (as it was introduced in Sweden, the UK)
 - the restructuring of the public employment service. In France, for example, the public employment service has been merged with the social benefit agency to put unemployed people in contact with job activation measures and counseling,
 - the establishment of mobility centers to promote cooperation between companies, trade unions and job-finding organizations, as it was set up in the Netherlands.
 - initiatives focusing specifically on certain economic sectors or target groups most severely hit by the crisis, such as the special support that young unemployed persons now receive in the UK.

- For flexicurity

- Employment services are crucial in facilitating transitions in the labour market, and thus public employment services play a unique role in the implementation of flexicurity. They have a vital role in giving job-seekers and inactive groups the motivation and incentives to work, but also a key responsibility to identify and assist those individuals who need help to become employed.
- To support flexicurity, it will be key that public employment services become more effective. There is still scope for public employment services to intensify their efforts



to ensure efficient implementation of active labour market policies that increase employability and shorten unemployment spells.

- To this end, they have to work in a more cost efficient way. But also the cooperation between public employment services from different member states and the exchange of know-how has to be increased. More effective and efficient job search requires enhanced coordination between different policy areas and labour market institutions at national level, notably Public Employment Services and social security systems.
- To increase their efficiency, public employment services should not just passively await job vacancies but contribute to timely job-to-job transitions. This requires that they establish proactive cooperation with employers to contribute to successful restructuring processes by flexible and responsive service. This includes the provision of information, advice and guidance to workers before they are made redundant, as well as retraining programmes or consultancy for the company concerned. Working in partnership with private employment agencies is part of the solution.
- Public employment services play a key role in ensuring that employers and the workforce have access to updated labour market information. They should continue to develop and widen their role as provider of this information, and in particular develop the competences for better anticipation of future labour and skill needs.

3. How EURES can better serve employers

- Current levels of geographical and occupational mobility within the EU are still rather low:
 - Before the crisis, only about 2% of European citizens lived in a Member State other than their own.
 - The number of workers that have changed employer in the last year rarely exceeds 10% in EU member states. The average duration of employment in the same job is 10.6 years in Europe, against 6.7 years in the USA (Eurobarometer).
- The low levels of geographical and professional mobility show the great need for a transparent, integrated and easily accessible EU-wide labour market and education information system. EURES should therefore play a greater role to promote mobility
- In the EURES web portal, more that 360 000 CVs are currently registered but only a bit more than 20 000 employers. This shows clearly the need to promote the visibility of the portal and the network and to make it more attractive for employers.
- Information and advice should be tailored to the needs of companies which try to recruit in another EU country. In particular employers experiencing recruitment difficulties need to receive more support from the EURES network.
- Special attention should be paid to the needs of SMEs. In 2007, around only 4% of workers in SMEs came from abroad, while still more than one third of all SMEs



reported problems with the availability of skilled labour. Moreover, SMEs had problems with the recruitment of the right workers because they did not have someone to manage human resources.

- EURES can help SMEs by fostering their knowledge about what the network can do for them, such as the possibility of receiving special advice from the EURES network and advertising their job vacancies on the EURES Portal.

4. Concluding remarks

- BUSINESSEUROPE has supported EURES since its creation. We believe that it is a useful instrument to foster more mobility. However, it needs to increase its visibility and to orient itself closer to the wishes and needs of companies as well as workers.
- Improving the efficiency of public employment services would improve the efficiency of the network as a whole. Furthermore, it is key for the implementation of flexicurity.
- EURES cannot create mobility needs but it can facilitate cross border mobility by further improving its ability to tailor information to workers and employers needs.

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