



Malta-EU Steering & Action Committee

EMPLOYMENT, SOCIAL POLICY & HEALTH



18.12.2009

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...Parliament

Parliament adopts EU budget for 2010

The European Parliament adopted the final EU budget for 2010, which will be €141.4 billion in commitments and €122.9 billion in payments. The main challenge for this year's budget was to find the funding for the already agreed but not yet financed economic recovery plan, which will cost the EU €2.4 billion next year.

The 2010 budget is the last one agreed under the Nice Treaty rules. The payments figure represents 1.04% of EU gross national income (GNI).

For each budget item, there are two different types of budget appropriations: commitments and payments. The commitments refer to how much the EU may commit itself to (e.g. sign a contract or start a tender procedure) in a certain year. The payment level regulates the actual payments being made that year.

The 2010 EU budget will see jobs and the economy top spending. Over €64bn (or 45%) of the €141bn of EU funds will go on measures linked to research, education and innovation. Research funding will grow by nearly 12% (€7.5bn) and energy and transport by more than 10% (€2bn). Financing for strategic energy projects, broadband in rural areas and cash to help rural communities cope with new challenges in agriculture will also provide a welcome boost to Europe's economy with the final €2.4bn of the €5bn European economic recovery plan being secured for 2010. Agricultural spending will continue to be stable next year at nearly €44bn with over €14bn (+2.6%) to promote rural development and additional emergency aid of €300m to help milk producers. The biggest increase in EU spending in 2010 will be for projects to fight crime, terrorism and manage migration flows, with this area growing by 16.2% on 2009 to almost €1bn.

Economic recovery plan

The €5 billion European economic recovery plan covers the years 2009 and 2010 and supports energy projects and broadband development in rural areas. When it was agreed earlier this year, the financing for the second year (€2.4 billion) was not settled. After the last month's negotiations, the EU institutions have agreed on how to finance it: by using unspent funds and margins (mainly for agriculture and administration) for 2009 and 2010, and by the Member States adding €120 million in fresh money.

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Parliament's influence on the budget

The fresh money for the recovery plan, a figure of €300 million in emergency support for the dairy industry and €75 million in funding to help decommission the Kozloduy nuclear power plant in Bulgaria were among points in the budget that were significantly influenced by Parliament.

MEPs also voted to back a series of pilot projects and preparatory actions, ranging from the recovery of obsolete fishing vessels to surveillance and protection for Community vessels sailing through areas where piracy is a threat.

This annual budget was the last to be negotiated under the Nice Treaty rules, under which Parliament had no formal power over agriculture expenditure and certain other areas. With the Lisbon Treaty, Parliament gains full powers over the EU budget.

... Commission

Report on the open consultation on the Green Paper on the European Workforce for Health

The European Commission ran a public consultation on the Green Paper on the European Workforce for Health between 10 December 2008 and 10 April 2009. The purpose of this public consultation was to gather the views of Member States and stakeholders on the topics raised in the Green Paper, so as to inform future policy actions in this field. The Commission sought the views of all those involved in this field, including patients and consumers, trade unions and employers, national competent authorities, health professionals and healthcare managers. One hundred and ninety seven replied.

Methodology

The Green Paper on the European Workforce for Health set out the factors influencing the workforce in the European Union (EU) and the main issues to be addressed. These were classified under nine headings, namely: Data to support decision making, Global migration of health workers, Training, Demography and promotion of a sustainable workforce, Public Health Capacity, Managing the mobility of health workers within the EU, Cohesion policy, Impact of new technology: improving efficiency, The role of health professional entrepreneurs.

Report

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Joint Employment Report 2009

The Joint Employment Report (JER) is the employment analysis and reporting part of the EU's Lisbon Strategy for Growth and Jobs. The draft report will be discussed by Employment and Social Affairs Ministers in the Council early in 2010 and when adopted, will become a joint report by the Commission and the Member States. Its recommendations will then be passed to the Spring European Council on 25 March to be discussed by EU leaders.

This year, the report will help to shape the EU's new strategy for growth and jobs after 2010, the so-called EU2020 Strategy.

The report gives an update of the employment situation in the EU, reports on the principal labour market reforms undertaken by Member States in 2009 and highlights the main challenges for the future. In view of the economic crisis, the report also includes information on measures Member States have taken to limit the impact of the crisis on labour markets. Furthermore, the report focuses on how employment policies could prepare for and encourage labour market recovery as part of the exit strategies from the crisis.

The unprecedented crisis in global financial markets which gathered pace in autumn last year has led to the severest recession since World War II, affecting the global economy and increasingly impacting on EU labour markets. After several years of relatively high economic growth and job creation (9.7 million new jobs in the period 2005-2008 alone), pushing Europe's employment levels to historical highs, the global crisis is hitting businesses, jobs and households and increasingly affecting the livelihoods and prospects of EU citizens. The sudden reversal of employment growth has set new challenges for policy making. As unemployment continues to rise, the spotlight has fallen on limiting the social impact and creating favourable conditions to support rapid transitions back to work once economic activity recovers.

In a coordinated response, the EU has taken important steps to address the impact of the crisis. Last autumn the EU took the necessary steps to prevent a meltdown in financial markets and to provide a broad response to the crisis. In December 2008, the European Council endorsed the European Economic Recovery Plan (EERP) to cushion the effects of the recession and, at its meeting in spring 2009, identified the following key priorities for employment policies:

- maintaining employment, creating jobs and promoting mobility;
- upgrading skills and matching labour market needs;
- increasing access to employment.

Building on this common effort and on the extraordinary Employment Summit held on 7 May 2009, the Commission published in June its Communication entitled 'A Shared Commitment for Employment', aiming to strengthen cooperation between the Union and its Member States as

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well as between the social partners, on the three key priorities, focusing on concrete actions supported by all the available Community instruments, particularly the European Social Fund and the Globalisation Adjustment Fund.

The new economic context shaped by the global crisis has highlighted not only the need for more up-to-date monitoring and analysis of the labour market situation, which has been addressed in part by the Commission's publication of a new monthly monitoring report, but also for further research on ways to limit the negative impact of the crisis on labour markets and better position them so they are well placed to respond to the recovery when it comes and to prepare them against future crises.

In this context, the current, already the 21st edition of the annual Employment in Europe report focuses on two themes crucial (although certainly not exhaustive) to the ongoing debate on the orientations of the future European Employment Strategy: dynamics of European labour markets and the implications of climate change for labour market outcomes .

Analysis of labour market flows becomes critical in times of crisis to enable timely policy response, especially measures to foster re-employment, and limit the incidence of long-term unemployment, which can lead to permanent losses in welfare associated with the deterioration of human capital. Preventing the worst-case scenarios in this respect is therefore not only the precondition to a successful tackling of the current crisis, but also a cornerstone to the building of a structurally sound and internationally competitive European economy for the future.

At the same time, a shift towards a competitive low-carbon, knowledge-based economy has become a pressing priority requiring immediate action. The scope for creating new 'green jobs' and for greening of existing jobs in Europe is significant and covers all types of workers. Nevertheless, in order to exploit these opportunities effectively, adequate policies must be put in place, based on a solid understanding of the key trends underlying both adaptation to and mitigation of the impact of climate change.

Conclusions

The crisis has had a major impact on economic growth in the EU. Policies to assist economic recovery and mitigate the loss of employment have thus gained importance especially in the medium term as any pick-up in employment will lag behind the recovery in economic activity.

Europe must not just tackle the recession but must turn it into an opportunity to create a more productive, more innovative, better skilled and greener economy; one with open and inclusive labour markets, offering more and better jobs for women and men. This cannot be a one-off

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effort but rather a continuous and well-coordinated process, involving not only structural policies in the labour market but also action in other policy areas of the Lisbon process.

European labour markets will be changed profoundly by the crisis and the transition to a low-carbon, knowledge-based economy, and workers and companies must be given the necessary means and incentives to successfully adjust to these changing realities in ways which favour inclusion, equity and social justice. Flexicurity, combined with comprehensive active inclusion policies, remains the right approach to both modernising labour markets and ensuring a successful recovery.

The way forward

The key challenge for the EU and Member States now is to set the right framework for a sustainable labour market recovery. Successful exit strategies that prepare both individuals and companies to meet structural challenges on the one hand, and efficient public policies to modernise labour markets on the other, are key to stimulating the creation of new and better jobs.

Priorities for the near future

The measures Member States have put in place in response to the crisis and the longer-term structural reforms they have pursued in 2009 have significantly contributed to limiting the adverse impact of the crisis on employment.

However, a number of strong challenges lie ahead. The crisis has accentuated structural labour market problems, with a higher risk of long-term and structural unemployment in the coming years. Skills mismatches persist despite high unemployment and require continued efforts in human capital investments. The crisis has also shown that some groups are particularly at risk (young people, migrants, low-skilled workers) and that labour market exclusion of the most disadvantaged groups remains a problem.

In preparing for an exit from the current crisis the Commission identifies three broad challenges for employment policies in which the crisis measures will need to be adjusted within the framework of ongoing structural reforms:

- *The need to reinforce existing crisis measures* – the key is to focus on improving the effectiveness of these measures. In particular, short-time working arrangements can remain temporarily justified for sustainable jobs as long as unemployment keeps growing but eligibility criteria must be much stricter compared to those applied in 2009. Stepping up the capacity of Public Employment Services to provide

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a more personalised approach in pre-redundancy job search assistance, and improving the efficiency and effectiveness of specific labour market institutions have been shown to have a favourable impact on labour markets.

- *The need to re-orient crisis measures* – the key issue is to reduce inactivity and unemployment traps while ensuring income security for those most in need and those experiencing transitions. It is a priority to tackle increasing labour market segmentation with a view to improving the situation of people on non-standard contracts who are often inadequately covered by unemployment insurance systems and active labour market policies.
- *The need to phase out crisis measures* - the focus is on structural reforms. As there will be additional pressure on the longer-term labour market reform measures that will now be faced with higher numbers of unemployed; increasing the effectiveness of these measures will be a high priority. Flexicurity-inspired reforms that improve the flexibility and security of labour markets are called for, including balancing employment protection and security in the market, bridging the gaps between emerging demands and the skills currently available in the labour market, promoting labour mobility across regions and between occupations, and enhancing the response of wages to productivity developments. The ultimate objective is to increase the economy's resilience to future sector or country specific shocks.

[Employment in Europe Report](#)



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Start of the European Year for Combating Poverty and Social Exclusion

2010 will be the European Year for Combating Poverty and Social Exclusion - a one-year programme aimed at raising awareness on poverty and social exclusion. It will be implemented in all EU Member States as well as in Iceland and Norway, with a total budget of €17 million (to be complemented by national co-financing), covering activities at European as well as national level.

The European Year events are being organised in partnership between participating countries, the EU, civil society, especially non-governmental organisations (NGOs), and social partners, who will work together to ensure its success. A range of activities will be organised across Europe, such as awareness-raising campaigns, information sessions in schools, roundtables and training for the media and decision-makers. The activities and events planned at European level include two focus weeks, a journalist competition, an art exhibition, and two major conferences in January and December 2010.

The Year will be launched in Madrid, on 21 January 2010 at a high-level conference being organised by the Spanish Presidency and the European Commission.

Background

Ten years ago, at the launch of the Lisbon Strategy, EU leaders pledged to 'make a decisive impact on the eradication of poverty' by 2010. Since then, many efforts have been made (e.g. through the Open Method of Coordination), yet a significant number of Europeans still live in poverty: approximately 80 million people are at risk of poverty, including 19 million children. Poverty and exclusion affect not only the wellbeing of individuals and their ability to play a part in society; they also impair economic development. With all this in mind, the EU is stressing the importance of collective responsibility in combating poverty, involving decision-makers and actors in the public and private sectors. The 2010 European Year for Combating Poverty and Social Exclusion will seek to give a voice to those experiencing poverty on a daily basis.

[European Year for Combating Poverty and Social Exclusion](#)

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Gender equality is part of the solution to exit the crisis

Both women and men have been hit by job losses in the downturn, says a new report adopted by the European Commission. However, women face a higher risk of not being re-employed and continue to be in a generally weaker position in the labour market. Beyond the current crisis, the Commission's report to the Spring European Council on equality between women and men underlines the persisting challenges for gender equality in Europe and calls for a stronger gender dimension as part of the EU's future strategy for growth and jobs.

The European Commission's annual report on equality between women and men shows that despite a generally positive trend towards a more equal society and labour market in the EU, progress in eliminating gender inequalities is slow. Gender gaps persist in employment rates, pay, working hours, positions of responsibility, share of care responsibilities and poverty. Considerable progress was made in women's employment between 1998 and 2008, with a rise in the female employment rate of 7.1 percentage points to 59.1% - but this positive trend has been interrupted by the economic crisis.

While unemployment among women has risen less rapidly as a result of the crisis (from 7.4% in May 2008 to 9% in September 2009) than among men (from 6.4% to 9.3%), the two rates are now rising at the same rate, and women's unemployment is still higher than men's in 12 EU countries. This raises the risk of a delayed impact on women, as job losses spread from predominantly male sectors such as construction and manufacturing, to more gender-mixed sectors and the public sector, where more women are employed.

The recession represents both an opportunity and a potential threat for women's employment and gender equality. Gender equality is a precondition for growth, employment and social cohesion, and must therefore be considered as part of the solution for exiting the crisis. Under the Swedish Presidency, EU ministers also highlighted the need to strengthen the gender dimension in the EU 2020 strategy and a recent expert report found that eliminating gender gaps in employment could lead to potential gains of between 15-45% of GDP.

The report goes on to highlight that quality employment is the best safeguard against poverty and social exclusion, and that in times of recession special attention should be paid to vulnerable groups. Furthermore, policies which aim to improve the work-life balance of both women and men, enabling more women to enter the labour market, should be considered as a longer-term investment and not as a shorter-term cost.

Finally, the report focuses on the need to combat gender-based violence which is first of all a breach of fundamental rights but also represents high costs for society.

The report will be part of the growth and jobs package to be presented to EU leaders at the Spring European Council on 25 March and will feed into the EU's future 2020 Strategy for

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growth and jobs. It will also serve as a basis for work on the EU's future gender equality strategy under the Spanish Presidency of the EU.

Background

The European Commission reports each year to the Spring European Council on developments towards gender equality in the EU Member States and presents future challenges and priorities. Equality between women and men is a fundamental right and a common principle of the European Union. The EU has made a major contribution to the advancement of women and the improvement of women's and men's lives through a substantial body of equal treatment legislation and the explicit integration of the gender dimension into EU policies and instruments.

For more information:

[2010 Annual Report on Equality between women and men](#)