

The impact of the financial crisis on employment in Europe

The employment situation in the EU

Unemployment rate in the European Union

- April 2008 6,8%
- March 2009 8,4%

It is the highest level since January 2006

Unemployment rate in the euro area

- April 2008 7,3 %
- March 2009 8.9 %
- April 2009 9.2 %,
- The highest since September 1999

Unemployment rate in figures

- In the EU as a whole, **556 000 people lost their jobs in April,**
- the total number out of work is 20 825 000

In the euro area were 396 000 job losses
and a total 14 579 000 are out of work.

Unemployment rate in April 2009

lowest

highest

Netherlands 3.0%

Spain 18.1%

Austria 4.2%

Latvia 17.4%

Youth unemployment under 25

- 14.7% in 2008
- 18.7% in April 2009

The unemployment
could **peak by the end of next year**
at an average level of over 11% in the euro
area

Employment Summit on 7 May 2009, Prague

- Employment is a top priority
- Plan for immediate action by the EU's 27 Member States to stimulate employment
- support training
- promote mobility
- change working hours (a four-day working week)
- making employees eligible for government retraining subsidies, financed from the European Social Fund or the European Globalisation Adjustment Fund, for example

Summit was not successful as

- social partners invited to the meeting refused to sign the concluding document
- civil society organisations were disappointed by its results.

"Results of the Employment Summit"

rapporteur Mr. GREIF

- restoring consumer and investor confidence by ensuring and encouraging private and public-sector demand;
- using publicly subsidised active employment policy instruments to enable employees to stay at work while training;

- avoiding income cuts as far as possible and promoting equality of opportunity, paying attention to inequalities and ensuring greater security on labour markets;
- ensuring public investment through a provisional, flexible approach to the Stability Pact and expanding the tax revenue base in Member States;

- increasing the supply of European funding, facilitating access to European Structural Funds, acting swiftly to improve the Globalisation Fund;,,
- "business as usual" is not an option for employment policy in this situation.

With regard to the decisions taken at the Employment Summit, the opinion makes the following points:

"Staying in work:

- quality of work, more and better jobs
- flexicurity must ensure "security in change
- stable employment and maintaining employability
- greater security, with less flexibility and less precarious employment conditions

Promoting mobility:

- Changing economic conditions require a high degree of innovative adaptability
- to enable mobility between high-quality jobs.
- to create and safeguard jobs instead of just supporting unemployment
- ensure mobility from lost jobs to newly created ones

Providing training in line with labour market needs:

- access to training, funding for such training and the use of working time for lifelong learning are of **key importance**

Improving labour market access:

- especially important priority in view of the current crisis
- to create jobs particularly for those who are excluded from the labour market
- to take effective steps to remove discrimination
- the EU must – with the involvement of the social partners, ensure that appropriate rules on non-standard employment are in place, while making it clear that permanent employment contracts should remain the norm in future.

- Social partners and other representatives of organised civil society have a key role to play in tackling the crisis.
- A strengthened social dialogue – and in particular strengthened wage agreements – is needed, to draw up and implement a policy to put an end to the crisis as soon as possible,
- Decision-makers from business, social and political spheres are responsible for ensuring that a similar crisis does not happen again."

Strengthening the social safety net

- Apart from the points made in the above-mentioned opinion, we should also keep in mind the need for **a joint approach to employment and social issues** in the context of the current economic and financial crisis.
- Social protection systems must be reviewed and stepped up.

Thank you for your
attention!