The European Employment Strategy
Working to improve employment in Europe
Everybody needs a job. We all need to earn money to live. At a personal level, employment provides a degree of independence and self-esteem and helps an individual integrate into society. Hence, it is a matter of priority to raise employment levels in Europe. If the number of people earning an income can be increased, there will be greater social inclusion and less poverty. If these objectives are to be achieved within the European Union, it is essential that all the Member States work together and coordinate their policies. The role of the European Employment Strategy (EES) is to help coordinate the employment policies of the Member States, as well as those of the associated and candidate countries.

The EES dates back to 1997, when the EU Member States undertook to establish a set of common objectives and targets for employment policy. Moreover, they agreed on a specific annual monitoring procedure. Member States retain their main competence for their own employment policies. The European Union’s role is to advise, monitor and coordinate policy making. Member States can count on the support of the European Social Fund for the implementation of the agreed employment policies.
The Employment Guidelines are the cornerstone of the EES. They are proposed by the European Commission and drafted on the basis of common priorities which the Member States have agreed for their employment policies. The Guidelines are adopted by the Council after consulting the European Parliament and the other advisory institutions.

Since 2005 the Employment Guidelines have been fully integrated with the Broad Economic Policy Guidelines covering macro and micro economic areas. Since 2010, with the launch of Europe 2020, there are 10 such Integrated Guidelines, of which the last four (Guidelines 7 to 10) concern the EES directly.

Every year, within the EES, the European Commission follows up the employment policies adopted by the Member States in line with these Guidelines. It then produces an annual report evaluating these employment policies. It also makes country-specific recommendations for further, targeted actions to improve the employment situation.

The EES uses an agreed set of indicators (quantified measurements, targets and benchmarks) to monitor and evaluate progress and to back up the European Commission’s analysis. The indicators are agreed by the Member States and revised regularly with the help of Eurostat, the EU’s statistical office.

The EES uses an ‘open method of coordination’ whereby representatives of the Member States meet to discuss employment policies and priorities. This advisory group is called the Employment Committee. In this context, mutual learning and the exchange of good practices on employment policies are strongly encouraged. The EES also counts on the support of independent research experts and the social partners for the evaluation of its priorities.

---

1 Eurostat website: www.epp.eurostat.ec.europa.eu
2 Further information on the webpage: www.ec.europa.eu/emco
3 See also the Mutual learning programme website on www.mutual-learning-employment.net/
4 www.eu-employment-observatory.net/
The Europe 2020 Integrated Guidelines

Guideline 1: Ensuring the quality and the sustainability of public finances

Guideline 2: Addressing macroeconomic imbalances

Guideline 3: Reducing imbalances within the euro area

Guideline 4: Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy

Guideline 5: Improving resource efficiency and reducing greenhouse gases

Guideline 6: Improving the business and consumer environment, and modernising and developing the industrial base in order to ensure the full functioning of the internal market

Guideline 7: Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality

Guideline 8: Developing a skilled workforce responding to labour market needs and promoting lifelong learning

Guideline 9: Improving the quality and performance of education and training systems at all levels and increasing participation in tertiary or equivalent education

Guideline 10: Promoting social inclusion and combating poverty
The challenges facing the EES

The EES has developed over the years in response to a changing political context and economic challenges. In 2005 the EES became part and parcel of the Lisbon Strategy to create ‘more and better jobs’. Five years later, in the face of the financial crisis, the EES is seeking to restore smart, sustainable and inclusive growth. The Europe 2020 strategy\(^1\) has defined the tools to ease recovery and reach a sustainable social market economy by investing in research, knowledge and innovation. The EES has become increasingly interlinked with micro and macro economic policies, and the Stability and Growth Pact in particular.

In this context, EES priorities have been geared towards policies which contribute to increasing human capital and quality at work. Education and training are crucial for better employment opportunities, especially where young people are concerned\(^2\). It is also important to create tools that help match education and training with the jobs of the future\(^3\), because that will lead to increased productivity and more stable employment. To support this, adequate national employment services must be in place, as well as cooperation between education providers and employers’ bodies.

Flexicurity remains the main tool for fighting long-term unemployment and segmented labour markets. Flexible and secure contractual arrangements, first-rate employment services, effective social security systems, all sustained by high-level and effective lifelong learning, should lead to smooth employment transitions, be they from education to work or from a non-working status to a job.

---

\(^1\) [www.ec.europa.eu/eu2020/index_en.htm](http://www.ec.europa.eu/eu2020/index_en.htm)

\(^2\) [http://europa.eu/youthonthemove](http://europa.eu/youthonthemove)

Employment rate of population aged 20-64 years in the EU from 1997 to 2009

Source: Eurostat
Working together at EU level is now even more crucial as national economies become increasingly interconnected. While specific national circumstances may still be very diverse, their growth and employment rates follow common trends and aims. Against this background, there are important roles for a number of different players. The European Council will continue to provide overall guidance for the strategy, on the basis of Commission proposals. The European Parliament has a particularly important role, not only as co-legislator, but also as the body which represents citizens.

There will be further encouragement and promotion of contributions from stakeholders at a national and regional level, as well as from the social partners, in the drawing up and implementation of national reform programmes. The European institutions are also counting on these bodies to establish closer links with individual citizens. Furthermore, the European Economic and Social Committee as well as the European Union Committee of the Regions will continue to be closely associated.

With the assistance of the tools provided by the EES, they should help the European Union reach the ambitious objectives it has set itself for 2020: improving the employment rate to at least 75% of the population aged 20-64; reducing the number of early school leavers to 10%; increasing to 40% the percentage of those with tertiary education; and reducing the number of people living in poverty by 20 million.