

## Employment policies from the perspective of Europe 2020

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**Abstract:** The European Council launch a new strategy for jobs and growth, Europe 2020, based on enhanced coordination of economic policies, which will focus on the key areas where action is needed to boost Europe's potential for sustainable growth and competitiveness.

**Keywords:** employment policies, economic policies, strategy, social including, workforce

Europe faces a moment of transformation. The crisis has wiped out years of economic and social progress and exposed structural weaknesses in Europe's economy. In the meantime, the world is moving fast and long-term challenges – globalisation, pressure on resources, ageing – intensify. The European Council agreed to set EU headline targets to launch the new strategy, which constitute shared objectives guiding action of the Member states and of the Union.

These targets are interrelated and critical to our overall success. To ensure that each Member State tailors the Europe 2020 strategy

to its particular situation, the Commission proposes that EU goals are translated into national targets and trajectories.

The targets are representative of the three priorities of smart, sustainable and inclusive growth but they are not exhaustive: a wide range of actions at national, EU and international levels will be necessary to underpin them.

The objectives of this strategy are to increase and improve the resources efficiency, to improve the business consumer environment, to increase the labour market participation and to reduce structural unemployment,

to develop skilled workforce and to promote social inclusion to combat poverty.

To reach these objectives, The Member states have to set out the framework for the Europe 2020. To ensure coherence and clarity, the guidelines are limited in number and reflect the European Council conclusions. The guidelines are integrated to ensure that national and EU-level policies contribute fully to achieving the objectives of the Europe 2020 strategy. Following them in a synchronized manner will help Member States reap the positive spill-over effects of coordinated structural reforms, particularly within the euro area.

On this basis, Member States will draw up National Reform Programmes setting out in detail the actions they will take under the new strategy, with a particular emphasis on efforts to meet the national targets and on measures to remove the bottlenecks that constrain sustainable growth at national level. Building on monitoring by the Commission and work done in the Council, the European Council will assess every year the overall progress achieved both at EU and at national level in implementing the strategy. Macroeconomic, structural, and competitiveness developments and overall financial stability will be examined simultaneously.

The first objective that should be reached is to ensure the quality and the sustainability of public finances. For this matter, Member States have to implement budgetary consolidation strategies under the Stability and Growth Pact and in particular recommendations addressed to Member States under the excessive deficit procedure, and/or in memoranda of understanding, in the case of balance-of payments support.

To reach the budgetary consolidation strategies, Member states have to favor taxes that do not harm growth and employment and priorities growth-enhancing expenditure items such as education, skills and employability, research and development and investment in networks, for example high-speed internet, energy and transport interconnections.

Furthermore, to reach another objective, improving resource efficiency, the Member States, have to decouple economic growth from resource use, turning environmental challenges into growth opportunities and making efficient use of their natural resources. For this matter the Member States need to implement the necessary structural reforms to be successful under increasing global carbon and resource constraints.

In what concerns the improving of the business and consumer environment the Member States can ensure that markets work for citizens and consumers. They can improve the business environment by ensuring well-functioning, open and competitive goods and services markets, particularly through fostering the single market integration and effective implementation and enforcement of single market and competition rules and developing the necessary physical infrastructure.

Regarding the problem of increasing labour market participation and reducing structural unemployment Member States can integrate the flexicurity principles endorsed by the European Council into their labour market policies and apply them, making full use of European Social Fund support with a view to increasing labour market participation and combating segmentation and inactivity, gender inequality, whilst reducing

structural unemployment. A measure that Member States can take to increase labor market is to introduce a combination of flexible and reliable employment contracts, active labour market policies, effective lifelong learning, policies to promote labour mobility, and adequate social security systems to secure professional transitions accompanied by clear rights and responsibilities for the unemployed to actively seek work.

But the principal aim of the Member States in this matter of employment policies should be to increase the performance of education and training systems.

To have access to a skilled and performant workforce, Member States have to invest in education and training system to raise the skill level and also to prepare the workforce of the EU to the rapidly changes of the modern labor markets. This action has to begin from early childhood to higher education as well as adult training.

Another critical problem that has to be resolved is to reduce poverty. The efforts of Member States are aimed at promoting full participation in society and in promoting employment opportunities. The Member States have to do efforts to reduce discrimination and inequality between people and to ensure equal opportunities on the labor market and also including through access to affordable, sustainable and high quality services and public services.

Also, Member States have to promote for people social protection lifelong learning and active inclusions policies.

The financial crisis has had a major impact on the capacity of European businesses and governments to finance investment and innovation projects. To accomplish these

objectives for Europe 2020, a regulatory environment that renders financial markets both effective and secure is key. Europe must also do all it can to leverage its financial means, pursue new avenues in using a combination of private and public finance, and in creating innovative instruments to finance the needed investments, including public-private partnerships (PPPs). The European Investment Bank and the European Investment Fund can contribute to backing a “virtuous circle” where innovation and entrepreneurship can be funded profitably from early stage investments to listing on stock markets, in partnership with the many public initiatives and schemes already operating at national level.

The Europe 2020 strategy is not only relevant inside the EU, it can also offer considerable potential to candidate countries and our neighbourhood and better help anchor their own reform efforts. Expanding the area where EU rules are applied, will create new opportunities for both the EU and its neighbours.

In addition, one of the critical objectives in the next few years will be to build strategic relationships with emerging economies to discuss issues of common concern, promote regulatory and other co-operation and resolve bilateral issues. The structures underpinning these relationships will need to be flexible and be politically rather than technically driven.

To achieve transformational change, the Europe 2020 strategy will need more focus, clear goals and transparent benchmarks for assessing progress. This will require a strong governance framework that harnesses the instruments at its disposal to ensure timely and effective implementation.

The success of this new strategy will therefore depend critically on the European

Union's institutions, Member States and regions explaining clearly why reforms are necessary - and inevitable to maintain the quality of life and secure the social models -, where Europe and its Member States want to be by 2020, and what contribution they are looking

for from citizens, businesses and their representative organisations. Recognising the need to take account of national circumstances and traditions, the Commission will propose a common communication tool box to this effect.

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