Reform of European Employment Services Network EURES

German employers’ expectations

28 March 2012

In its explanatory memorandum “Reforming EURES – EURES 2020”, the European Commission announced plans to reform the European Employment Services Network EURES. The aim is to build EURES more strongly as a work placement instrument, to establish a programme “Your first EURES job” to increase the mobility of young people and to open EURES also for private job placement agencies. While horizontal EURES activities, namely the EURES website, communication activities as well as the programme “Your first EURES job” would continue to be managed by the European Commission, thought is being given to integrating national and cross-border activities in the European Social Fund (ESF).

The announced reform also encompasses a revision of Commission decision 2003/8/EC of 23 December 2002 implementing regulation 492/2011/EC. Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA) may wish to take a separate position on this draft when it is presented.

**EURES an important instrument for promoting mobility within Europe**

In BDA’s view, EURES makes an important contribution to increasing mobility within Europe. In this regard, two approaches can be distinguished: first EURES cross-border partnerships which encourage mobility in specific frontier regions, and second national and horizontal EURES activities which are not restricted to a particular region. The two approaches are not in competition but should be regarded as complementary to each other:

- EURES cross-border partnerships exist in regions where there are large cross-border commuter flows. By providing information on living and working conditions in the neighbouring country, giving individual advice as well as running regional campaigns and events on increasing cross-border mobility, EURES cross-border services networks help to pull frontier regions out of the periphery and to develop an integrated labour market in the region. Alongside administrations, players and partners in EURES cross-border services networks are employer associations and trade unions. EURES cross-border partnerships have a particular significance for Germany – located as it is in the centre of the EU – and this is also reflected in the large number of partnerships: Germany is a participant in eight of a total of 20 EURES cross-border partnerships across the EU.

- In addition, in the framework of the EURES network, Germany has Zentrale Auslands- und Fachvermittlung (ZAV – central cross-border and professional placement) of Bundesagentur für Arbeit (BA – federal labour agency) as well as discussion partners and guides for those
EURES Reform – Die Forderungen der deutschen Arbeitgeber

28. März 2012

interested in work in another country in all 178 labour agencies. At EU level, there is above all the EURES website as one of the horizontal activities, which provides both general and country-specific information and an overview on open vacancies in Europe.

EURES cross-border partnerships, national as well as horizontal EU measures, together help to drive a single European labour market forward and increase mobility within Europe. By so doing, they make an important contribution for more growth and jobs as also for European integration.

With regard to the proposed new EURES network, it is not yet very clear how the different roles of members, partners and associated partners would be differentiated from each other. For that reason, it is also impossible to judge whether there could be conflicting objectives or conflicts of interest which could undermine the functioning of the EURES network. Hence, it is not yet possible to evaluate whether, for instance, the simultaneous assumption of several positions by a single organisation would have a counterproductive or desirable impact. Further information is needed before an assessment can be made.

Do not devalue the role of social partners

It remains completely unclear in the Commission’s current explanatory memorandum what the future role of social partners would be in the framework of EURES. Formally, they would in future act as “associated partners”, which at the very least constitutes a formal downgrading as compared with the status quo. The consequences for the practical work are still hard to foresee. However, it is a concern that “associated partners” would in future take part in the EURES network only “under the responsibility of a EURES partner” or would be invited to meetings of the EURES coordination group only “when appropriate”. Under no circumstances may this lead to the correct and necessary involvement of social partners in the framework of EURES being squeezed out. From self-administered unemployment insurance through to advisory boards under the German Social Code II (Sozialgesetzbuch SGB II), it has been demonstrated time and again that the expertise and advisory function of social partners is indispensable for running an effective labour market policy geared to the needs of the labour market and in particular to accelerate matching processes on the labour market. This should also be taken into account in the new management board, through involvement of social partners at European level in the management board’s decision-making process.

Reform must not jeopardise success of EURES and EURES cross-border

German employers welcome the European Commission’s intention of making the EURES network even more effective and focusing it more sharply on successful job placement. But it is essential that the reform does not jeopardise success to date – in particular that of the EURES cross-border partnerships. While it is positive that the two European employment policy instruments EURES and ESF are closely interlinked with coordination of content, complete administrative and budget integration of cross-border and national EURES activities in ESF is problematic:

- It is to be feared that applications for EURES resources via bureaucratic ESF structures will complicate the procedure.
- The level of co-financing would be open, since ESF projects normally require a higher own contribution than activities in the framework of EURES and/or EURES cross-border.
- It is not clear where the corresponding programme guidelines for EURES and EURES cross-border would be enshrined in national structures for implementing ESF – in the federal operational programme (OP) or in the respective OPs of the German Länder.
- The direct involvement of social partners hitherto in the design and
implementation of EURES cross-border activities could hardly be maintained in the event of integration in ESF programme structures.

The main objectives of a re-orientation of all instruments to intensify cooperation in Europe and European structural support must be a comprehensive administrative streamlining and perceptible simplification. In light of the successful EURES cross-border partnerships, BDA therefore requests for EURES either maintenance of its own budget line from the European Commission or clear priorities in favour of EURES in the framework of ESF which ensure appropriate support for EURES cross-border partnerships as well as national EURES activities with easily manageable conditions for the grant of support. It would be fatal if, for instance, funds had to be requested from different ESF Länder programmes and perhaps even the federal programme for one and the same EURES cross-border partnership and projects had to be finalised via ESF structures. The consequence would be that players, first and foremost social partners, would withdraw increasingly from the partnerships in the face of bureaucratic hurdles. The main losers from such a development would be frontier regions and above all jobseekers.

**Enhanced job placement in EURES is right, but do not create new structures**

German employers welcome the aim of developing the EURES network more strongly as a job placement instrument. In this way, EURES could contribute even better than it does now to improving labour mobility in Europe. Nevertheless, this does not call for new structures and unnecessary duplication of work by national labour agencies should be avoided. Europe does not need an inflexible, centralised European labour agency. Instead, the aim must be to strengthen the network of national agencies and dismantle the obstacles that exist in cooperation.

**Focus on young people is an effective approach**

The approach involving support for the mobility of young people in particular through the “Your first job” initiative is the right one. BDA supports efforts by BA to promote this pilot project, in which advice, support for job search as well as financial support for jobseekers interested in a position abroad as well as for firms (especially small and medium-sized enterprises) would be offered. Young people in particular often come with the advantages (language skills, openness and curiosity, geographical flexibility) needed for working in another Member State. With targeted support in this area, the European Commission can also make an important contribution to combating youth unemployment.

**Opening EURES to private job placement agencies is right for strengthening integration in the primary labour market**

Opening EURES also to private job placement agencies is expressly supported, is the right thing to do and is urgently necessary. Private job placement agencies in particular regularly help to accelerate the matching of supply and demand on the labour market, for example by offering specialised services. It would be counterproductive if their activities were squeezed out at national or international level by public administrations.

It must be ensured that EURES supports only placements in the primary labour market. It would be inadvisable to expand artificial, publicly supported employment through EURES – especially also in conjunction with ESF.

**Conclusion**

German employers essentially support reform of the EURES network. However, the following priorities apply in this regard:

- The central role of social partners in the framework of EURES must be maintained under all circumstances.
- EURES cross-border partnerships and national as well as horizontal EU EURES activities are complementary and should be supported without bureaucracy.

- To this end, EURES should retain its own budget line or clear priorities in favour of EURES in the framework of ESF must be set, with easily manageable conditions for the grant of support.

- No new structures at European level should be put in place for job placement. Rather, the aim should be to strengthen the network of European labour administrations and to intensify their cooperation effectively.

- Opening EURES to private job placement agencies is right. The objective of all EURES activities must be to strengthen the integration of jobseekers in the primary labour market and the successful filling of open vacancies in companies.

- German employers, which are also closely involved in German employment policy through BA’s self-administration bodies, offer themselves as partners for reform of the network.
BDA is the leading social policy organisation of the German business community. It represents the interests of small, medium-sized and large companies from all sectors on all issues relating to social and pay policy, labour law, labour market policy and education. BDA works at national, European and international level for the interests of one million businesses, which together employ twenty million workers and which are linked to BDA through their voluntary membership of 6,250 employer federations. These employer federations are in turn organised in the fifty-four national sectoral organisations and fourteen regional associations which are BDA’s direct members.