

Session III.

In between jobs: supporting transitions.

Session Scope

- Technology and globalisation are substantially transforming work: new professional categories are being created; some jobs are changing rapidly and require different skill-sets than they did a few years ago; others are disappearing; and others still are shifting to new sectors, or to other regions.
- People change jobs and move much more often than a generation ago. The average European worker has gone from having a job for life to having more than ten in a career.
- In spite of rising educational levels, the transition from education to work is an increasingly challenging one – in particular since the outbreak of the crisis.
- Younger workers, low-skilled workers, and those with migrant background are the most exposed to income risks during transitions because they are more often in non-standard forms of employment and have limited access to unemployment protection and health care.
- It also often remains difficult for women to re-enter the labour market after devoting time to caring responsibilities, including parental leave; part-time can seem like their only viable solution.
- The increased number of working life transitions mean people need to be equipped for change, notably by updating their competences more regularly and developing new skills throughout their lifetime. In certain cases, those who need the most support, such as those with low skill levels and older workers who have been laid off, have the least access to it.
- More adaptable and mobile working lives have implications for social security and training entitlements as people increasingly need these to be transferred throughout their careers, as well as across regions and borders.
- Employment, education and social policies, institutions and social partners need to reflect these new challenges and adapt to the changing societal and employment realities.

Main issues for discussion

- What support do people need to reskill and upskill throughout their working life?
- What support do people need to be able to move and take up new job opportunities?
- What are the national or EU initiatives that can be further developed to better manage restructuring and job shifts and facilitate adjustments to future jobs?



1. More diverse working lives

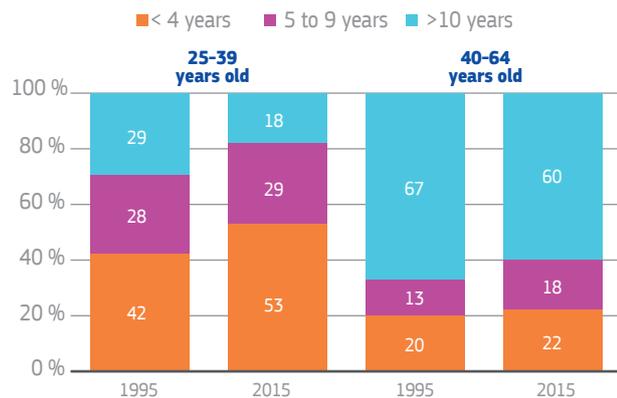
Opportunities and transformations

Working lives are becoming longer, more diverse and, for some, more mobile. Until recently, people tended to follow a rather linear pattern in the transition from education and training, to work and retirement. Yet in the space of a generation, the average European worker has gone from having a job for life to having more than ten in a career.

It has become more common to move from phases of employment to education or self-employment, and vice versa. It has also become more common to change employers (Figure 1), or take career breaks and move into new professions, as well as to move to one or more countries for work.

Figure 1. Both younger and older workers stay less long with the same employer

Percent of workers employed in the same company by number of years; breakdown by age



Source: Eurofound

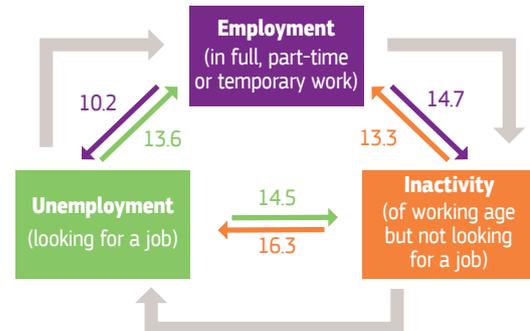
The capacity to adapt and face change starts at school. Most children entering primary school today are likely to work in jobs that do not yet exist; and, given that people live longer, they will most likely work longer, either out of choice or necessity.

Supporting successful transitions

In spite of steady growth in employment, participation in the labour market and transitions between working, not working and seeking a job are not experienced in the same way by all. It remains difficult for women to re-enter the labour market after having devoted time to caring responsibilities. Young graduates who have spent numerous years in full-time university education have a harder time finding a first job than they did a decade ago, and often find themselves lacking job-relevant skills in spite of their formal

Figure 2. Transitions between employment, unemployment and inactivity

Estimated number of persons moving between labour market status during 2016
In millions



Note: EU-28 excluding Belgium and Germany

Source: European Commission

qualifications. People in their fifties laid off due to sectoral restructuring may find it difficult to get a new job, as they may be deemed 'too expensive' to retrain, or they may be discouraged, or simply jobs may have moved elsewhere.

Transitions between inactivity, employment and unemployment differ substantially across Europe. In some countries, labour markets are very fluid with significant flows between employment and unemployment and also between different categories of jobs (implying possibilities for occupational mobility). Other countries are characterised by dual labour markets, with significant flows between unemployment and low-paid jobs, but fewer possibilities to move along the occupational ladder. And others still have comparatively less mobile labour markets and little overall flows between jobs or employment status. Yet what is common to all Member States are the wider changes in the economy that are substantially transforming the employment landscape: **new professional categories are being created in new and more traditional sectors of the economy; some jobs are changing rapidly and require different skill-sets than they did a few years ago; other are disappearing; and others, are shifting to new sectors, or to other regions.**

As Europe's working age population is shrinking, it is important to mobilise the full potential of the workforce's talents across all demographic groups, and facilitate occupational and geographic mobility. This means making the most of the opportunities that technology and globalisation offer, whilst mitigating their more challenging impacts. Human capabilities, strategic investment in skills development, a rethinking

of education and lifelong learning systems, and social rights that effectively support and empower men and women through transitions and transformations could help in mitigating these impacts.

Social dialogue plays a central role in reinforcing social rights and enhancing sustainable and inclusive growth. There is a diversity of social dialogue practices across the different Member States and the social partners have a key role in contributing to a social market economy that delivers economic performance and social fairness.

More diverse and mobile lives

Most Europeans live, work and study in their region or their country of origin. There is however a growing portion of Europeans who are increasingly mobile mainly within their country but also in other parts of Europe, based on the opportunities offered by the Single Market. In 2016, more than **16 million EU nationals lived in another EU country** and almost 2 million Europeans crossed internal borders on a daily basis (Figure 3).

Figure 3. Mobility in Europe

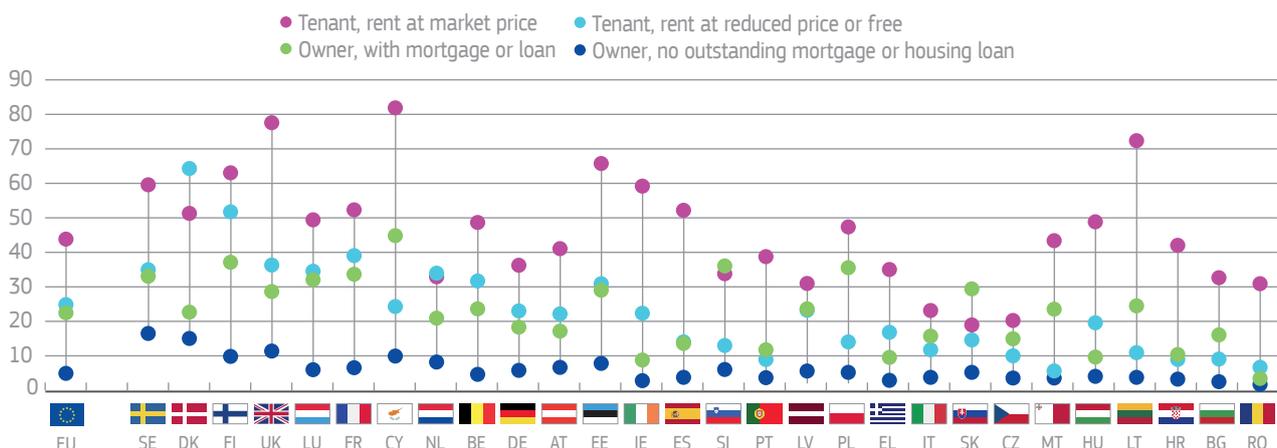


Source: European Commission

A number of factors influence a person's decision to remain in one place or move to another location, whether this might be to another region within their country, or to another EU Member State. These include opportunities offered by **higher education** establishments, **career** and employment prospects, support available to their families and children and its quality, or **retirement** preferences. The ease to learn the language of the place of destination may facilitate or deter such decisions. More structurally, the availability and price of **housing** for purchase or rent may also play an important role, as these may facilitate or deter moving by pricing newcomers out of some regions, or tying them to specific locations by offering a safety net or a financial responsibility (Figure 4).

Figure 4. House ownership patterns and housing policies influence decisions to stay or move

% of individuals who moved between 2007-2012, by tenure status



Source: European Commission

2. Main challenges ahead

Ongoing changes present opportunities and challenges for education, training and lifelong learning establishments. They present new challenges for businesses and firms in terms of diversity and age management, and in recruiting and retaining the talent they need to grow, innovate and be more productive.

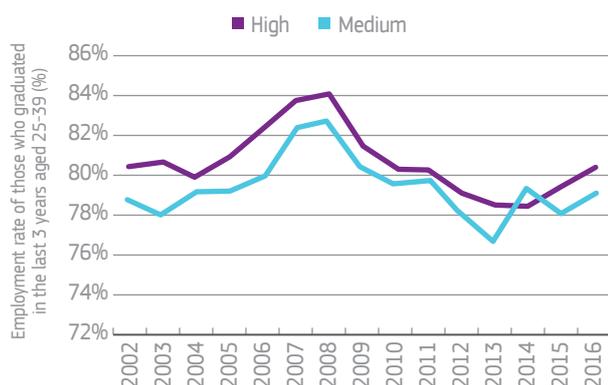
They also present new challenges to trade unions not least because individuals most vulnerable to precarious employment, low-pay and underemployment are least likely to have union representation. They equally present different sets of challenges to public employment and social services in developing policies that can **adequately support different transitions** during a person's lifetime, and ensure **effective safety nets**.

Managing the first transition

The transition from education to work is an increasingly challenging one – in particular since the outbreak of the crisis (Figure 5).

Figure 5. School-to-work transition is improving but is lower than it previously was

Employment rate of young workers who graduated in the last 1-3 years by level of education



Source: European Commission

Apprenticeships, that combine school with on-the-job learning in companies, play a critical role in helping young people gain practical work experience before taking up regular employment. As with all schemes, the **quality** of apprenticeships and traineeships is key to their success in terms of increasing employability.

There is evidence to suggest that young interns may, in certain cases, act as extensions of, or replacements for, regular staff, and face long working hours, lack of social security coverage, health and safety or occupational risks, little or no remuneration and/or compensation, a lack of clarity on the applicable legal regimes, and excessively prolonged duration of the traineeship.

Social partners have a key role to play in facilitating transitions on the labour market, for example in the design, implementation and monitoring of training policies and programmes, and in cooperating with providers of life-long career guidance services and relevant authorities to provide targeted information on available career opportunities and skills needs on labour markets, as well as trainees' rights and responsibilities.

Social partners also have a particular role in supporting migrants' integration in the labour market in effective and speedy ways.

Developing and renewing skills

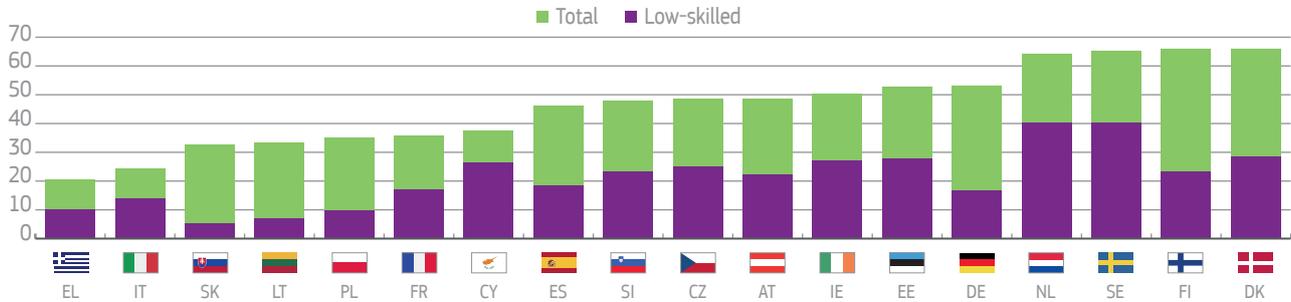
The increased likelihood of job changes throughout people's lifetimes, the rise in contractual and on-demand work, combined with longer working lives and a more mobile workforce, highlight the importance of ensuring that people have the training and skills they need to be empowered for changing employment conditions.

Progress towards the target set at EU-level of 15% of adults aged 25-64 to be enrolled in life-long learning by 2020, is variable across Member States and programmes do not always reach out to those who need them the most to enhance their employability. This is **particularly the case for workers with lower levels of educational attainment who participate less in life-long learning programmes** (Figure 6).

In a more mobile and fluid labour market, it is likely that employers may be **more selective when investing** in their employees' training or reskilling, and more **reluctant** to do so towards individuals with non-standard contracts (Figure 7), which could influence Members States' productivity and innovation capacity

Figure 6. Too few low-skilled adults participate in life-long learning

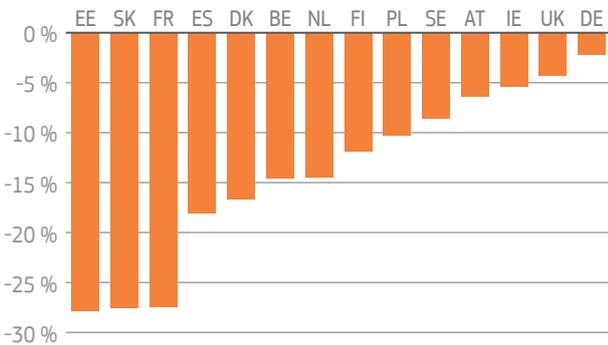
Percent of adults participating in life-long learning in select EU countries, 2015 or latest available



Source: OECD calculations based on the Survey of Adult Skills (PIAAC).

Figure 7. Temporary workers are less likely to be trained by their employers though this varies across Europe

Estimated probability of temporary workers receiving employer-sponsored training compared to workers with permanent contracts in %, select EU countries, 2012



Source: European Commission

Back to work

Job displacement, i.e. the loss of a job due to economic or technological reasons or as a result of structural change, affects around 2-7% of employees every year according to OECD data.

Older workers and those with low education levels have a higher risk of losing their job. It takes them longer to get back into work and they suffer greater earnings losses because they are more likely to only find part-time or non-permanent jobs. Workers in smaller firms are also at a higher risk of losing their jobs because of changing conditions in the economy than workers in larger firms. At the same time, when larger firms are obliged to restructure and lay off personnel, this affects a greater number of workers.

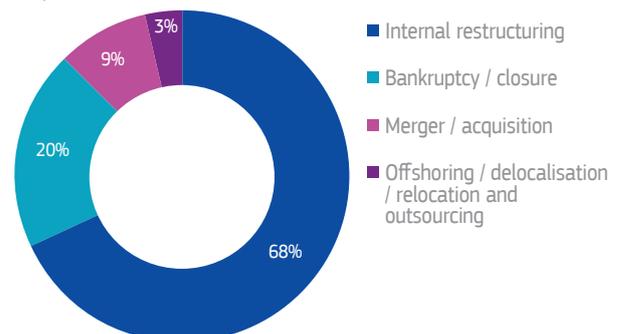
Not all workers who have lost their job need retraining to find a new job, just as not all sectoral or industry changes lead to a significant change in the skills required at work. In fact, in some cases, redundant workers move into jobs with significantly lower skills requirements, leading to professional downgrading and sizeable earnings losses.

Active labour market policies aim to ensure that the **unemployed can return to employment as fast as possible** – in order to avoid long-term unemployment – and in the **best possible job match**. Though there is no single tool that can help bring unemployed individuals back to work, the ways in which labour market policies are **designed** and **implemented**, and the specific groups they **target** matter a great deal in terms of their efficiency, effectiveness and longer-term impact.

Individualising **counselling** and **job-search assistance** has been particularly useful for tackling short-term unemployment. **Direct employment** and job-creation schemes or **subsidies** to employers – though costly –

Figure 8. Reasons for announced job losses

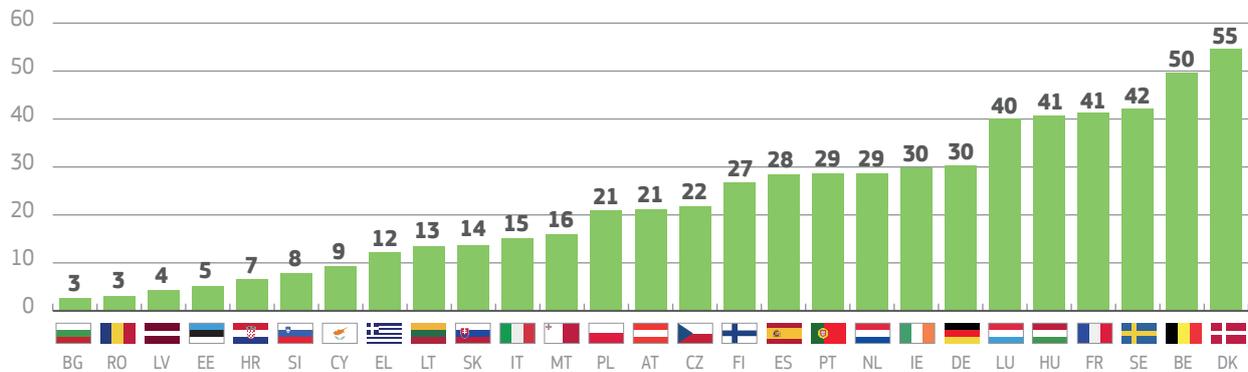
In %, 2016



Source: Eurofound

Figure 9. Activation support varies significantly between Member States

Number of persons participating in labour market policies for every 100 persons who are unemployed and are searching for a job 2015 or latest available



Source: European Commission

can contribute to bringing in the medium and long-term unemployed and giving them an opportunity to work again. As for training, general **on-the-job** programmes contribute to a better matching of skills particularly after the first entry into the labour market, while **vocational training programmes** (either workplace or combined with school) have been effective in facilitating the transition from study to work.

Beyond these measures, support and coverage for the most vulnerable in society differs across Europe (Figure 9). Member States have or are in the process of piloting **minimum income schemes** or related schemes of last resort to prevent destitution and **ensure a minimum standard of living**. There has also been a tendency to increase the emphasis on developing **active labour market policies** for people on minimum income schemes. This includes initiatives aimed at addressing disincentives, enhancing links between minimum income schemes, job search measures, and access to quality services, as well as developing coordinated, single point of contact approaches at local level.

Quality public employment and social services, with adequately trained staff, built-in monitoring and evaluation systems for the policies that are implemented, **integration of data** and **coordination of services** across organisations could be just as important.

Welfare, protection and safety nets fit for multiple employment realities

The increasing frequency of occupational and geographical mobility raises the question of whether and how **training or social protection entitlements** that have been accrued could be transferred when changing employment status or employer, when re-entering the job market or returning from career breaks, or when moving between countries.

Across Europe, access to social protection schemes for non-standard workers and self-employed has improved. However, some categories of workers have **only partial access to social protection and/or employment services** or may even be excluded from these. This is the case for casual and seasonal, on-call, zero-hour and temporary agency workers, civil law contracts and mini-jobs.

Non-standard or self-employed workers encounter particular difficulties in meeting the **eligibility conditions** (e.g. hourly thresholds, contribution periods) for accessing benefits. Also, the ways in which **income is assessed to calculate benefits** is not always adapted to their circumstances. This often means they are partially excluded or receive lower benefits with respect to workers with standard contracts. In addition, the fact that self-employed workers frequently insure themselves at the minimum insurance threshold is a challenge across most Member States and is often closely linked to informal work and tax-avoidance.

As **younger people** and **workers with migrant background** are more likely to have non-standard contracts or enter into new forms of self-employment, they are also **more at risk of not being included in compulsory coverage**. This prevents them from qualifying for short-term benefits such as unemployment or health insurance, and increases the risk of falling back on safety nets of last resort. Over time, this also affects their ability to build entitlements to a pension that can protect them from poverty and allow a decent standard of living in old age. There is a risk of leaving a growing part of the working population without the social security and employment support that people need to **manage life-long working careers in rapidly changing labour markets**. Moreover, the **accumulated effects of such disparities in entitlements** are likely to give rise to **new inter- and intra-generational inequalities** between those who have or manage to gain employment on standard contracts with full social rights and those who do not.

The trends towards more diverse working patterns have implications for social rights – from healthcare to pensions – acquired in different activities and the extent to which they can be portable or transferable. Personal activity accounts to support workers throughout their careers, and universal basic income schemes as a buffer against economic shocks, are some examples of reforms aiming at adapting to new working patterns.

3. Ongoing EU initiatives: a selection

Commission initiatives	Current status
Mainstreaming social priorities and indicators in country-specific guidance and priorities under the European Semester of Economic Policy Coordination .	Adopted in November 2014 and embedded in the annual cycle of the European Semester.
Prioritising youth, notably through: <ul style="list-style-type: none"> • a financial boost to the Youth Guarantee by means of the Youth Employment Initiative; • the launch of the European Solidarity Corps. 	<ul style="list-style-type: none"> • The broadening and financial boost of the Youth Guarantee scheme has assisted Member States in mobilising their share of the European Social Fund. As a result, 11 million young people have taken up an offer of employment, apprenticeship, traineeship or continued education since 2013. • A dedicated budget for the European Solidarity Corps was proposed on 30 May 2017.
Improve fair and decent working conditions through: <ul style="list-style-type: none"> • the revision of the Posting of Workers Directive; • a consultation of the Social Partners on access to social protection. 	Based on Commission initiatives: <ul style="list-style-type: none"> • A reform of the posting of workers directive was proposed on 8 March 2016. Agreement was reached in the European Parliament and Council; trilogues will start soon; • Consultations of the Social Partners are ongoing as regards the written statement directive and access to social protection.

<p>Investing in skills and Europe's human capital through the New Skills Agenda for Europe which includes:</p> <ul style="list-style-type: none"> • a Skills Guarantee/'Upskilling Pathways: New Opportunities for Adults' particularly targeting low-skilled adults with basic literacy, numeracy and digital skills; • the revision of the European Qualifications Framework; • the Digital Skills and Jobs Coalition bringing together Member States, companies, social partners, non-profit organisations and education providers; • the revision of the Europass framework to better support transparency of skills and qualifications across Europe; • the EU Skills Profile Tool to facilitate access to the labour market for third country nationals; • the promotion of vocational training; • and a Blueprint for Sectoral Cooperation on Skills in a context of technological change. 	<p>Following the Commission proposal on 10 June 2016:</p> <ul style="list-style-type: none"> • the Council Recommendation on 'Upskilling Pathways: New Opportunities for Adults' was adopted on 19 December 2016; • the European Qualifications Framework was adopted by Council on 22 May 2017; • the Digital Skills and Jobs Coalition was launched on 1 December 2016; • the European Parliament and the Council are discussing the new Europass framework; • the EU Skills Profile Tool was launched on 20 June 2017; • the first European Vocational Skills Week was held in December 2016, the next is planned for 20-24 November 2017; • the proposal for a Framework for Quality and Effective Apprenticeship is currently discussed in Council; • Sector Skills Alliances launched in 6 pilot sectors of the Blueprint in January and another 6 in October 2017.
<p>Guidance to bring the long-term unemployed into the labour market.</p>	<p>Commission proposal on 7 December 2015 and Council Recommendation adopted on 15 February 2016.</p>
<p>Financial support to EU Member States through:</p> <ul style="list-style-type: none"> • EU Structural and Investment Funds, particularly the European Social Fund, for strategic, long-term initiatives aimed at anticipating and managing the social impact of industrial change; • the European Globalisation Adjustment Fund which provides one-off support to people losing their jobs as a result of major structural changes in world trade patterns due to globalisation. 	<p>Support for active labour market policies from the European Social Fund and the European Globalisation Adjustment Fund have been used for re-skilling and for bringing workers who have lost their job due to regional economic shocks and large-scale lay-offs back into employment.</p>
<p>Presentation of a Social Scoreboard to monitor Member States' performance on social indicators.</p>	<p>Operational on 26 April 2017, to be embedded in the European Semester of Economic Policy Coordination.</p>
<p>Presentation of a European Pillar of Social Rights consisting of 20 principles and rights essential for fair and well-functioning labour markets and welfare systems in 21st century Europe.</p>	<p>Commission proposal presented on 26 April 2017. The Pillar will be jointly proclaimed by the European Parliament, the Council and the Commission at the Social Summit for Fair Jobs and Growth on 17 November in Gothenburg.</p>
<p>Proposal for a European Labour Authority to strengthen cooperation between labour market authorities and better manage cross-border situations.</p>	<p>Announced in the 2017 State of the Union address; proposal will be included in 2018 Commission Work Programme.</p>

For a more complete overview: https://ec.europa.eu/commission/sites/beta-political/files/social_dimension_of_europe_overview_of_initiatives_en.pdf