

“Foreseeing a new workplace.”

David Arkless  
Senior Vice-President,  
Corporate Affairs

“Flexicurity –  
‘Foreseeing a new  
workplace.’”

*Transatlantic Employment  
Issues Conference,  
June 23 2006, Brussels*



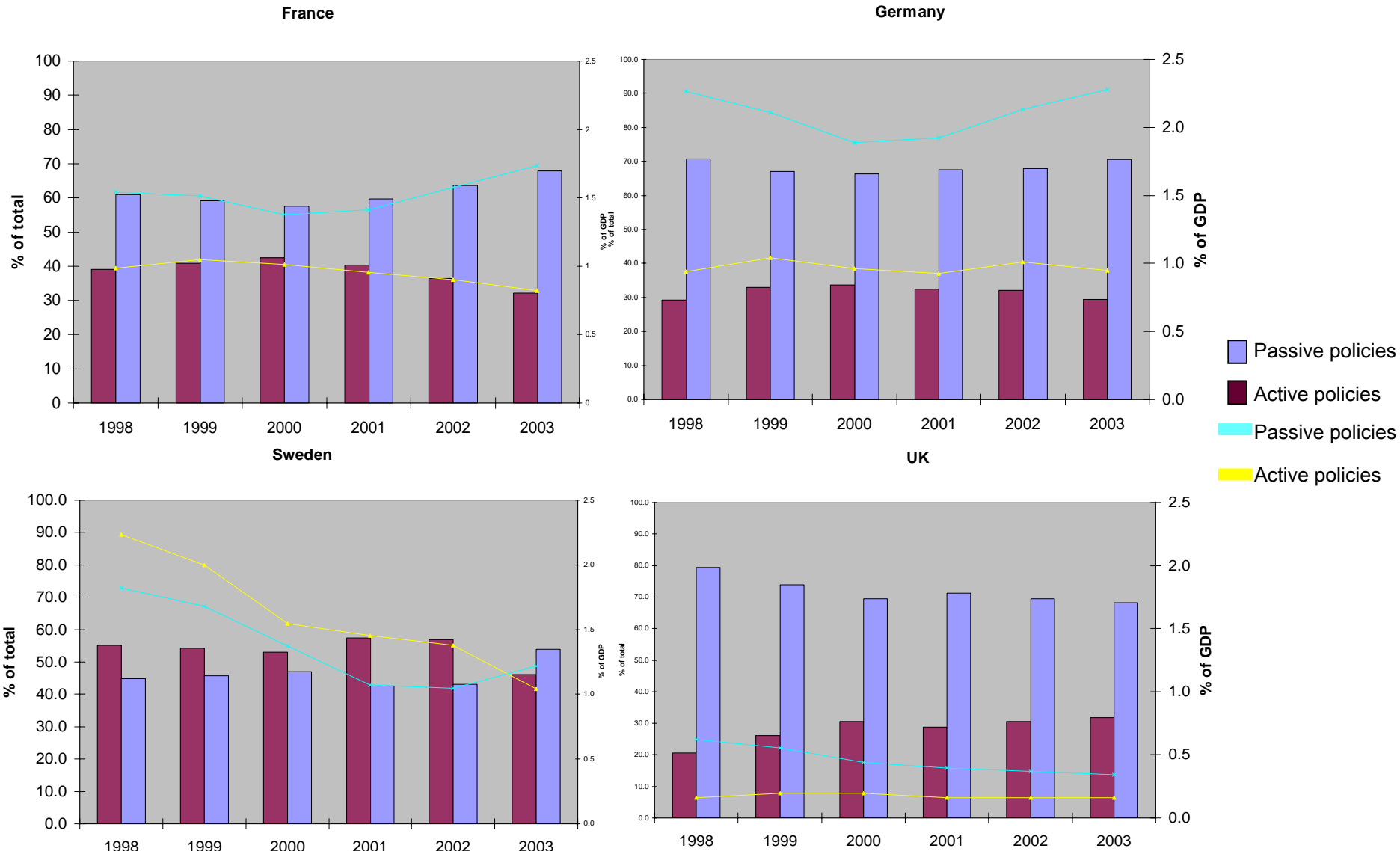
# Forces shaping labour markets

- On-going economic restructuring
  - A competitive imperative
- The need for job growth
- The demographic realities
- The shifting expectations

# The competitive imperative

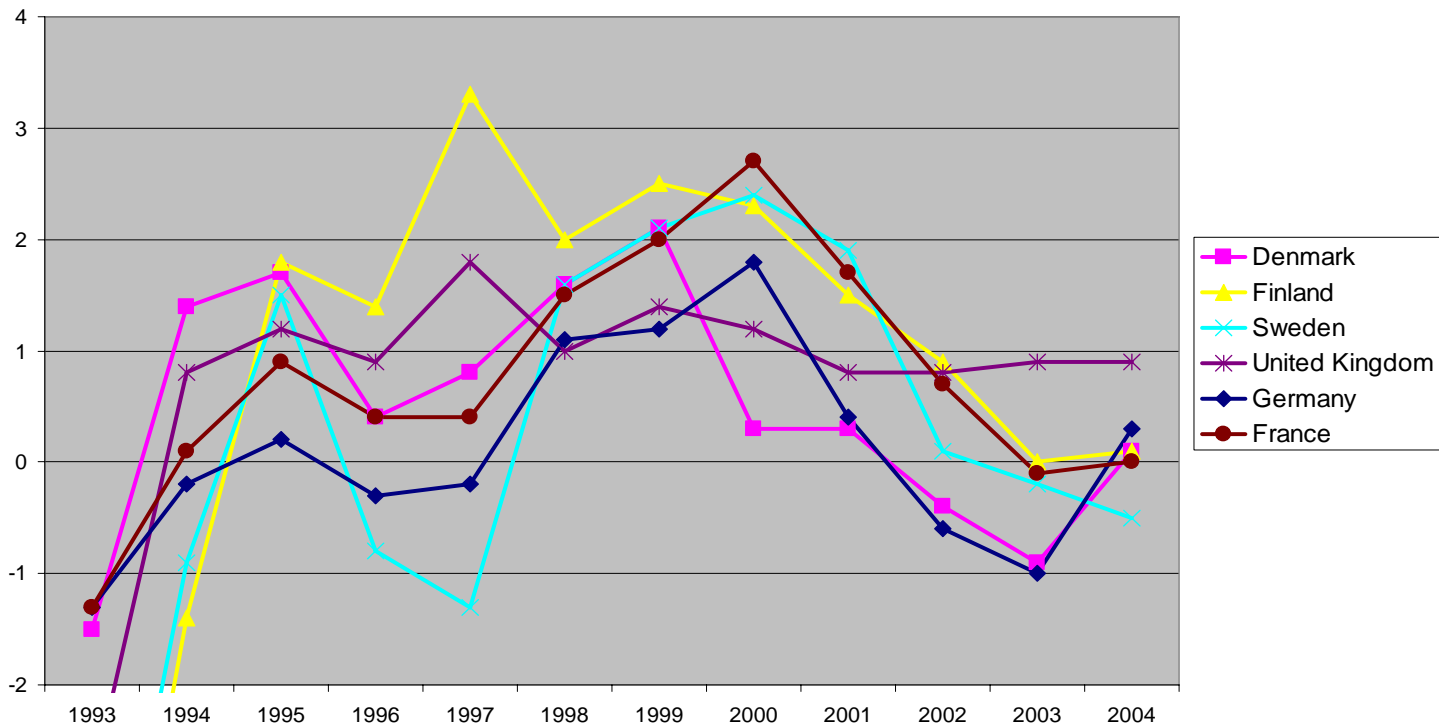
- European productivity slipping versus the US
  - 30% lower GDP/cap (Euro area)
  - Two thirds of this is due to labour productivity
    - European labour productivity is 80% of US
    - Labour productivity growth 1.7% vs. 2.3% in US (since mid 90s)
  - In 1960 Europe
    - Worked 2% longer than US
    - Had 16% higher employment rates
  - Now Europe
    - Works 15% fewer hours than US
    - Has 9% lower employment rates
- The rise of China and India

# Expenditure on labour market policy



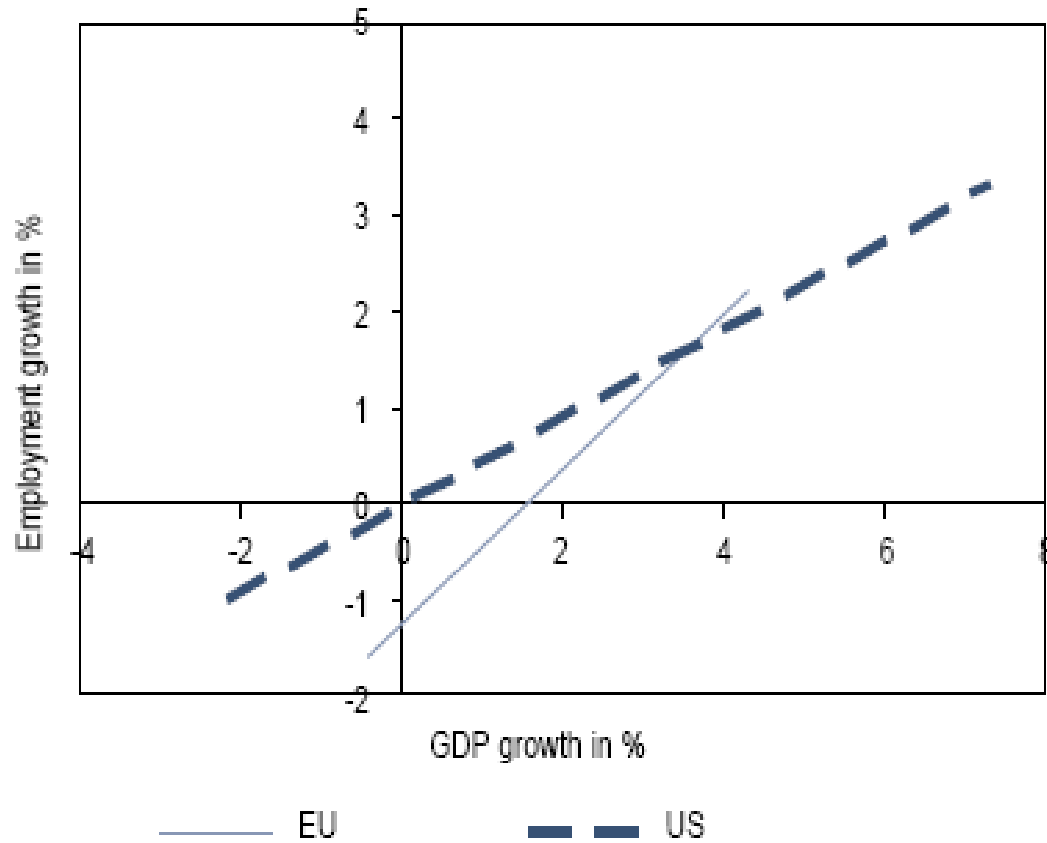
# Employment Creation

...according to OECD employment statistics...



# EU Employment thresholds

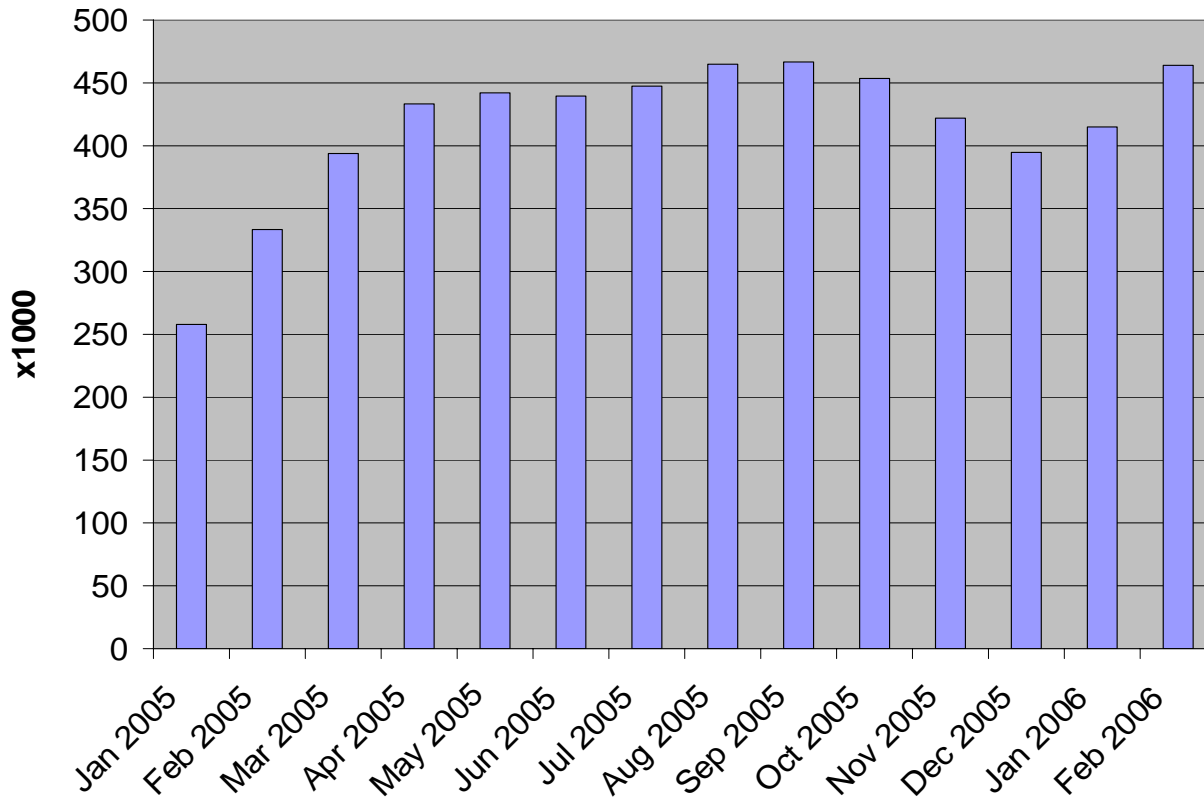
81 Employment thresholds in the EU and the US, 1980-2002



Source: Commission services

# Labour market mechanisms are not delivering

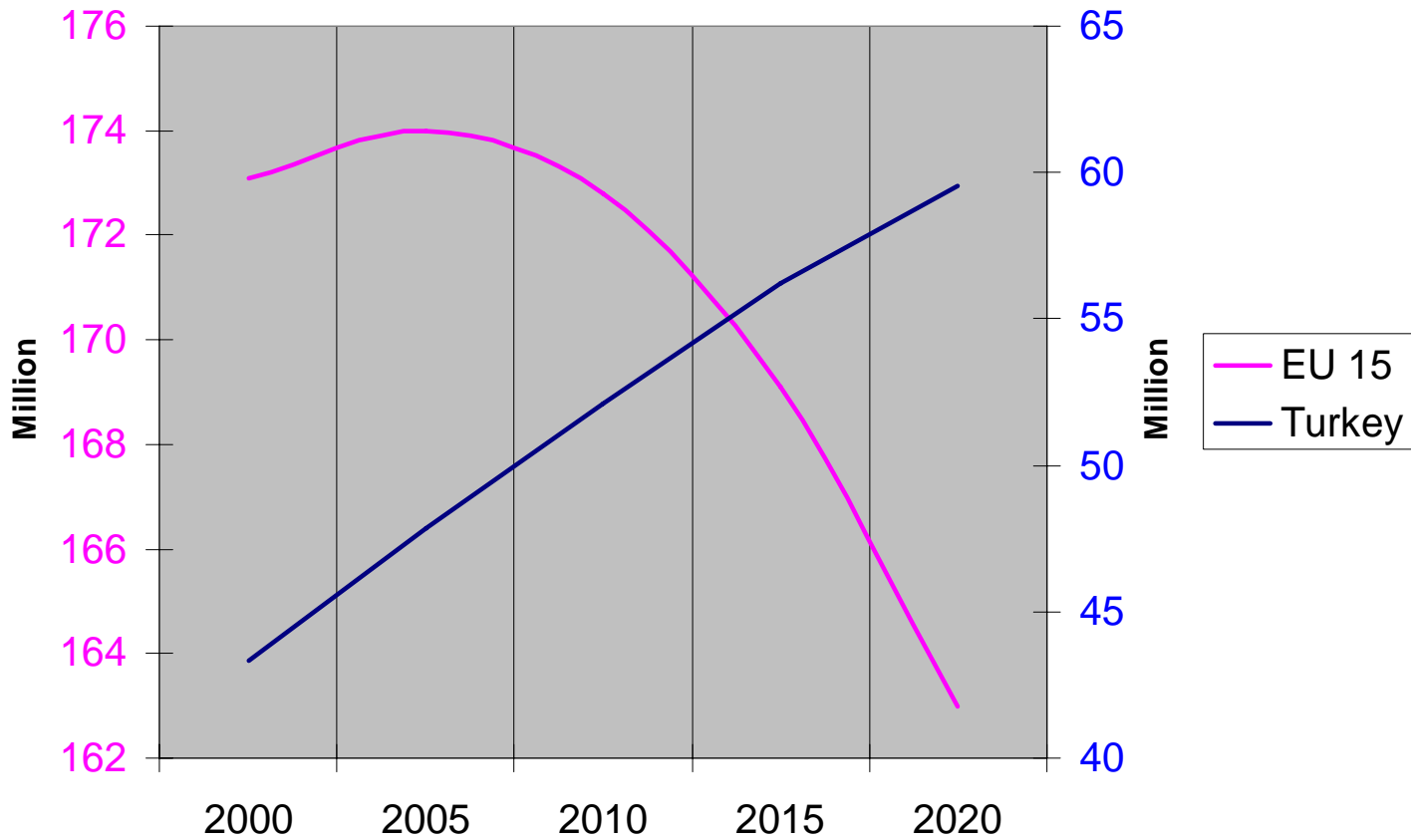
## Unfilled vacancies, Germany



- At the same time as:
- more than 460,000 jobs remain unfilled,
- there are:
- 4.8 million people looking for jobs

Source: Oxford Analytica

# A declining workforce

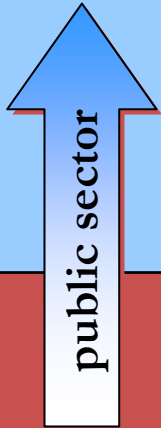

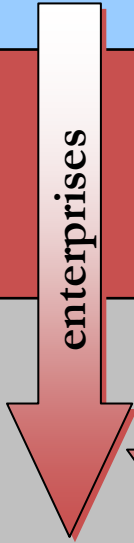



Source: Eurostat and UN Population Division

# Workforce and Technology

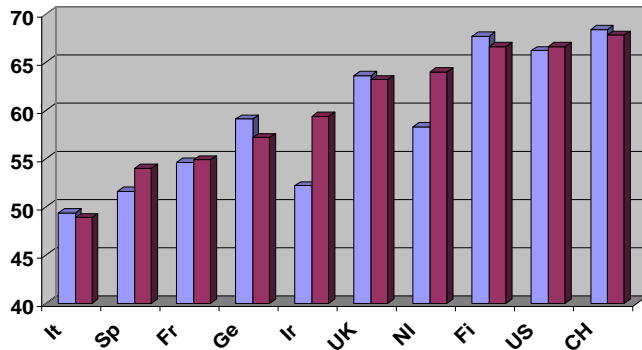
- Today’s workplace technology will be obsolete in a decade.
- 80% Europe’s workforce of 2015 is already in the labour market.
- Unemployment of European graduates is 4%; it is 12% of those without qualifications.

# Meeting future skill challenges

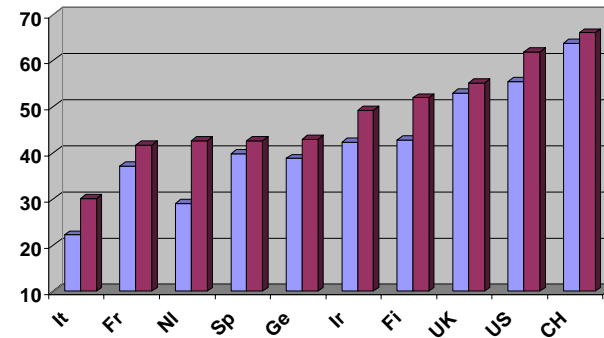
Levels of Skills	Types of Skills	Role of Actors and Institutions
<p><b>Generic Core Skills</b></p> <ul style="list-style-type: none"> <li>-Qualifications</li> </ul>	<p><b>Skills required in all industry sectors</b></p> <ul style="list-style-type: none"> <li>-Managing, Implementation</li> <li>-Administrating, Reporting</li> <li>-Logistics</li> <li>-Human resources</li> <li>-Communications</li> </ul>	
<p><b>Sector Specific Core Skills</b></p> <ul style="list-style-type: none"> <li>Capacities</li> <li>Qualifications</li> </ul>	<p><b>Skills and knowledge common to a sector</b></p> <ul style="list-style-type: none"> <li>Process and product</li> <li>Production materials</li> <li>Health and safety</li> </ul>	
<p><b>Workplace Job Skills</b></p> <ul style="list-style-type: none"> <li>-Competencies</li> </ul>	<p><b>Skills and knowledge specific to the enterprise and employer</b></p> <ul style="list-style-type: none"> <li>-Work procedures</li> <li>-Machines and equipment</li> </ul>	 

# European labour participation

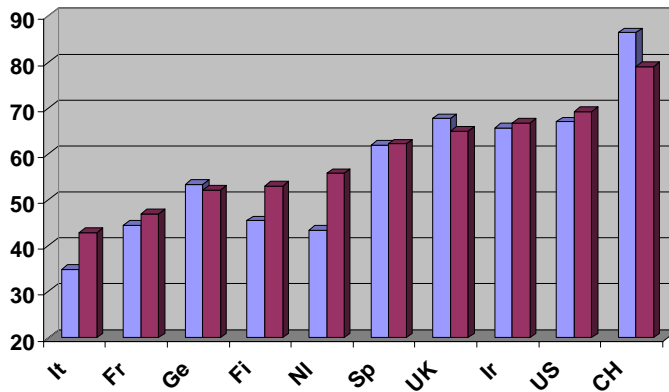
**Male and Female over 15**



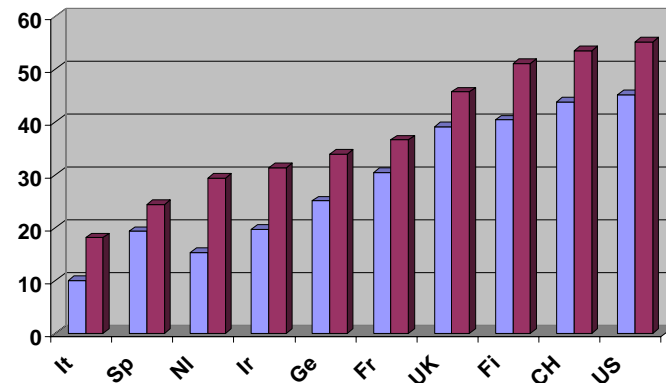
**Male and Female 55 to 64**



**Male 55 to 64**



**Female 55 to 64**



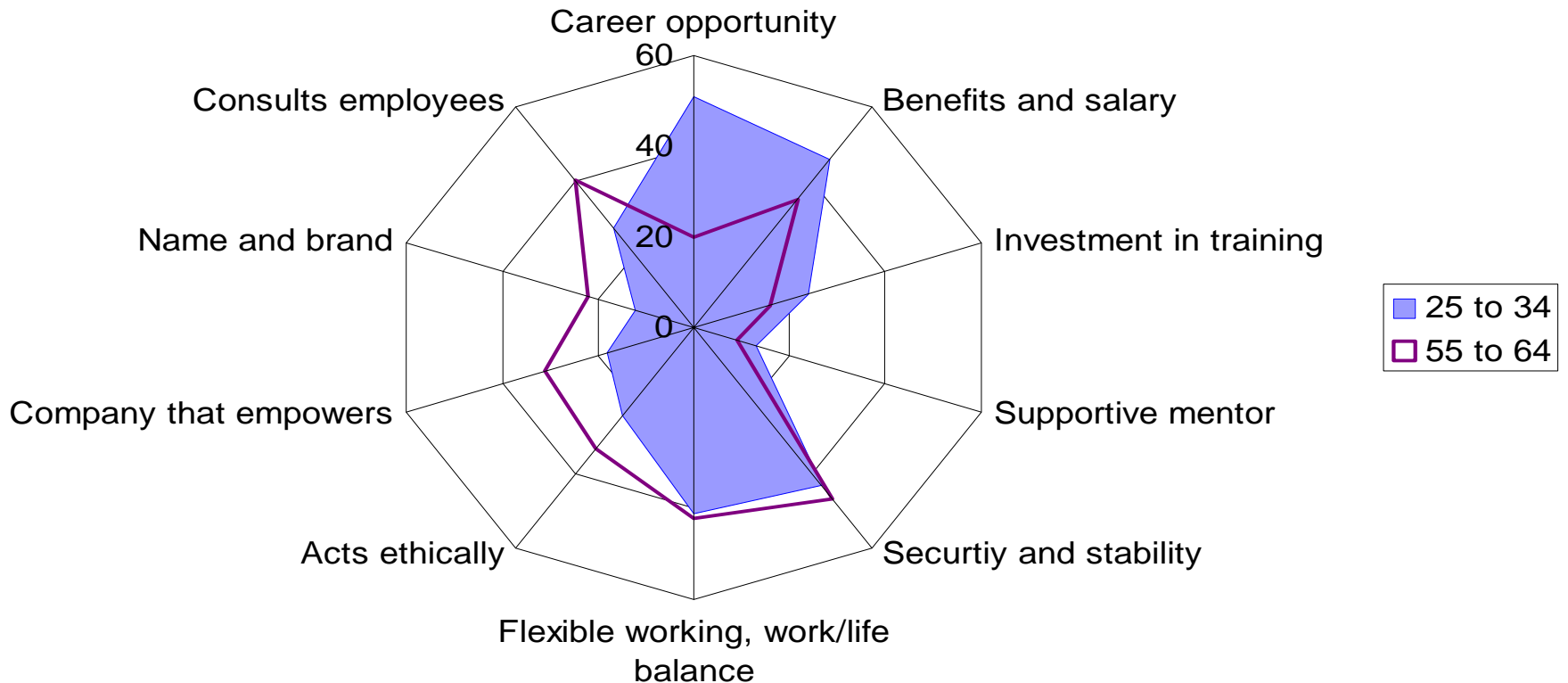
1991  
2002

Source: KILM 2003, ILO

June 6 2006

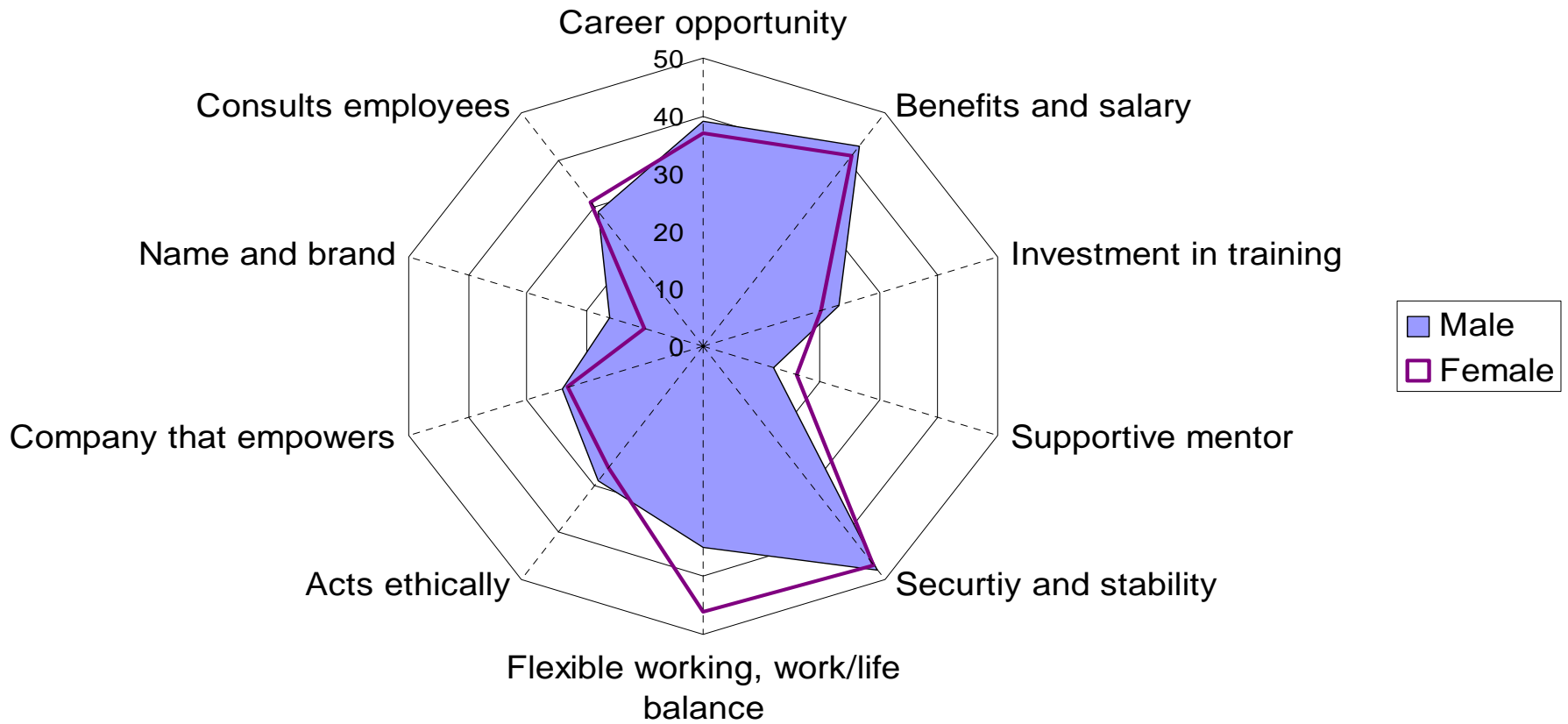
Manpower

# Expectations by age group



Source: Manpower Inc. survey, 2005

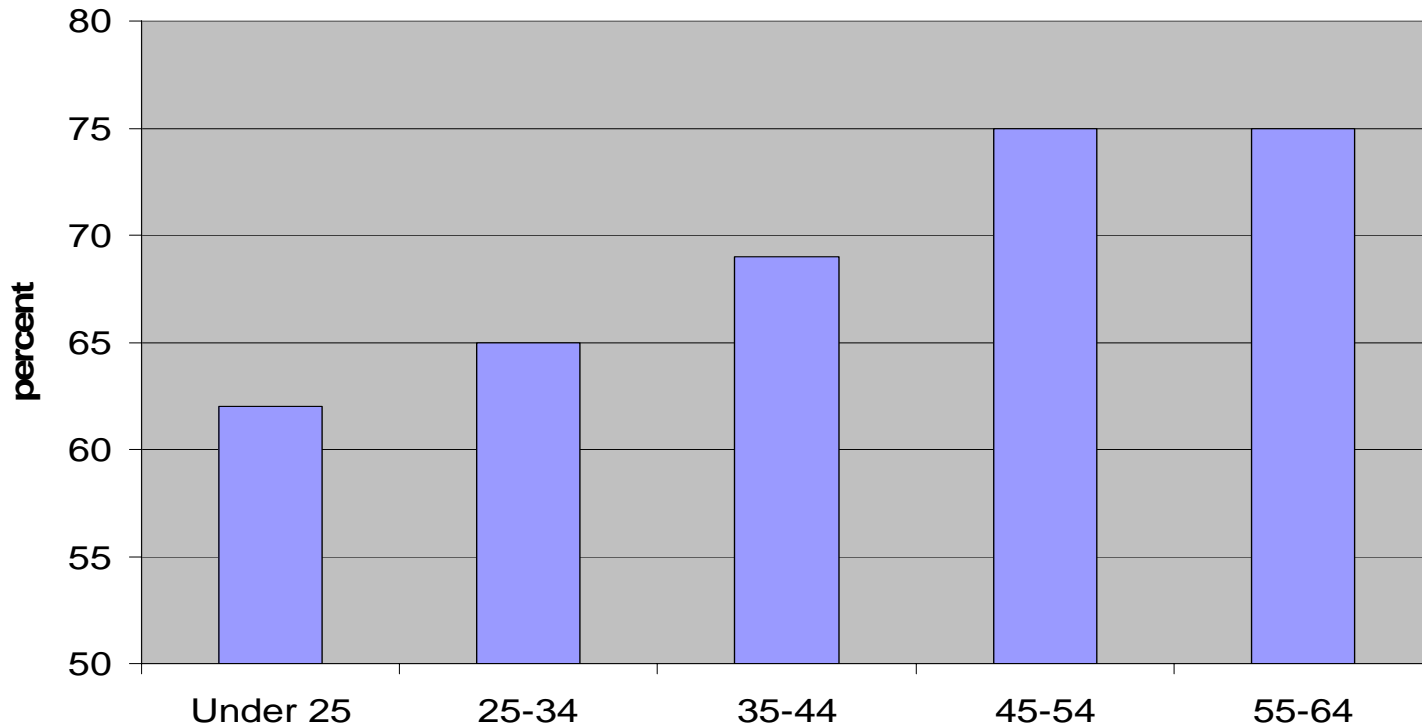
# Expectations by gender



Source: Manpower Inc. survey, 2005

# Ageing workforce – engaging on its own terms

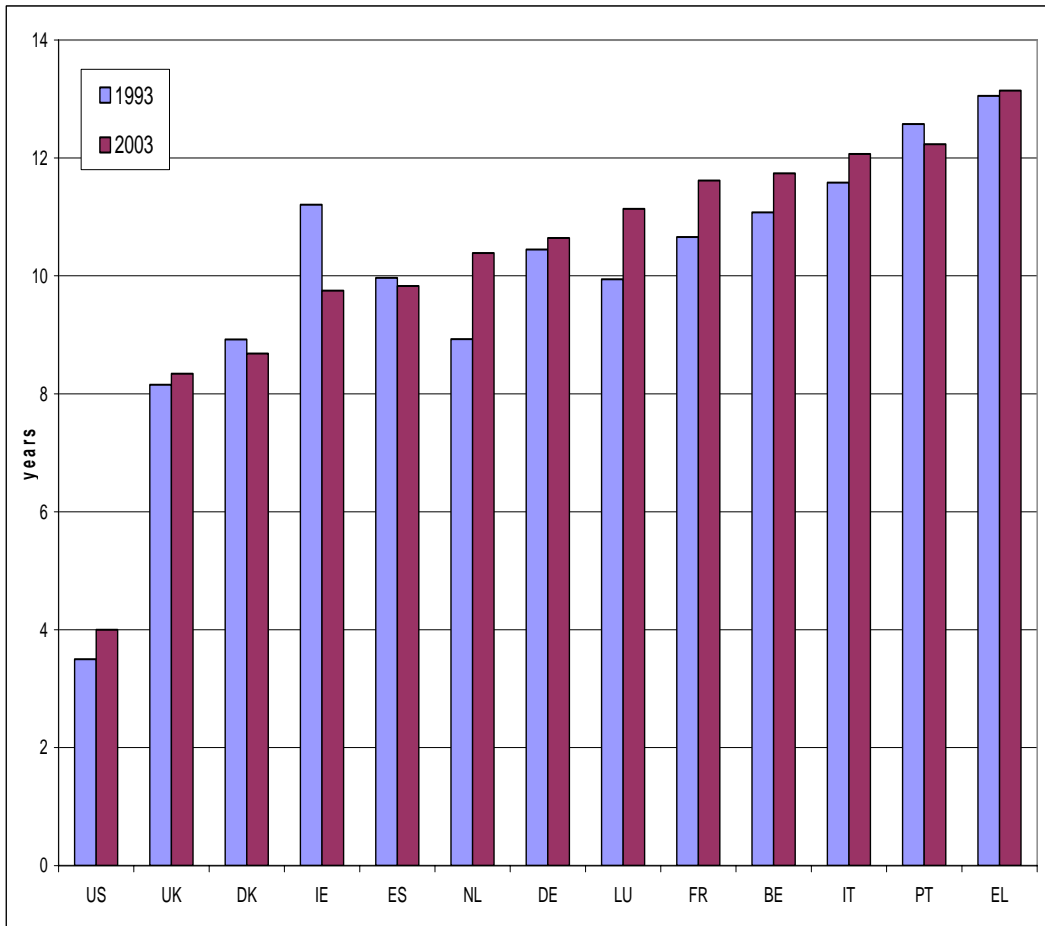
**I would be happy to work later in life if I could work flexibly**



Source: Manpower Inc. survey, 2005

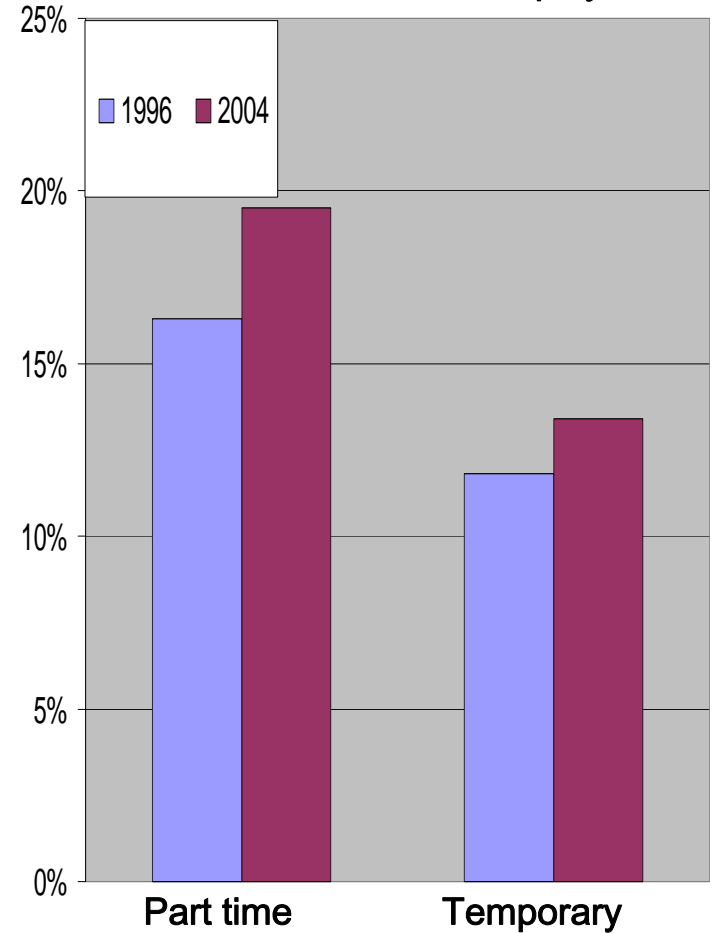
# Flexible forms of work growing

Average job tenure, EU-countries, US 1993 and 2003



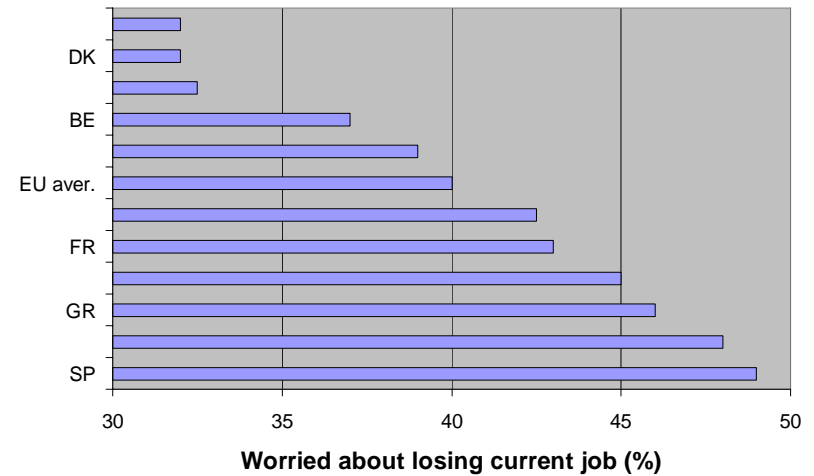
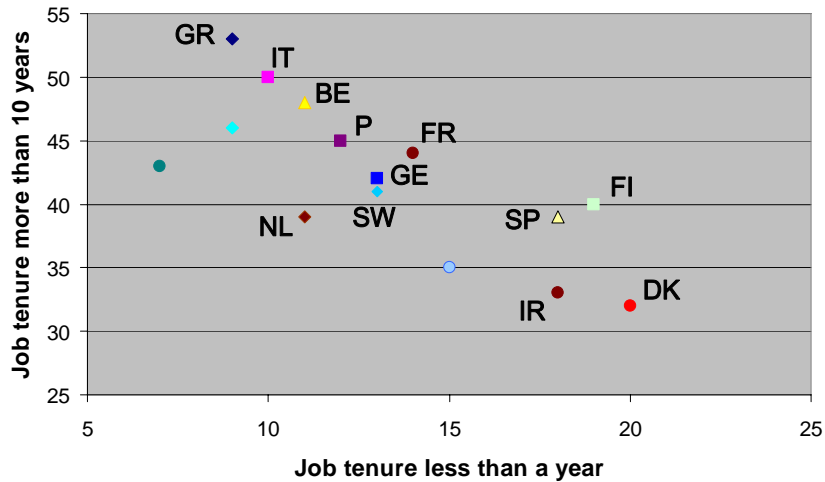
Source: Eurostat LFS and Bureau of Labour Statistics for the US

Flexible work as % of tot employment



# Flexibility and security

## Employment protection does not deliver security...

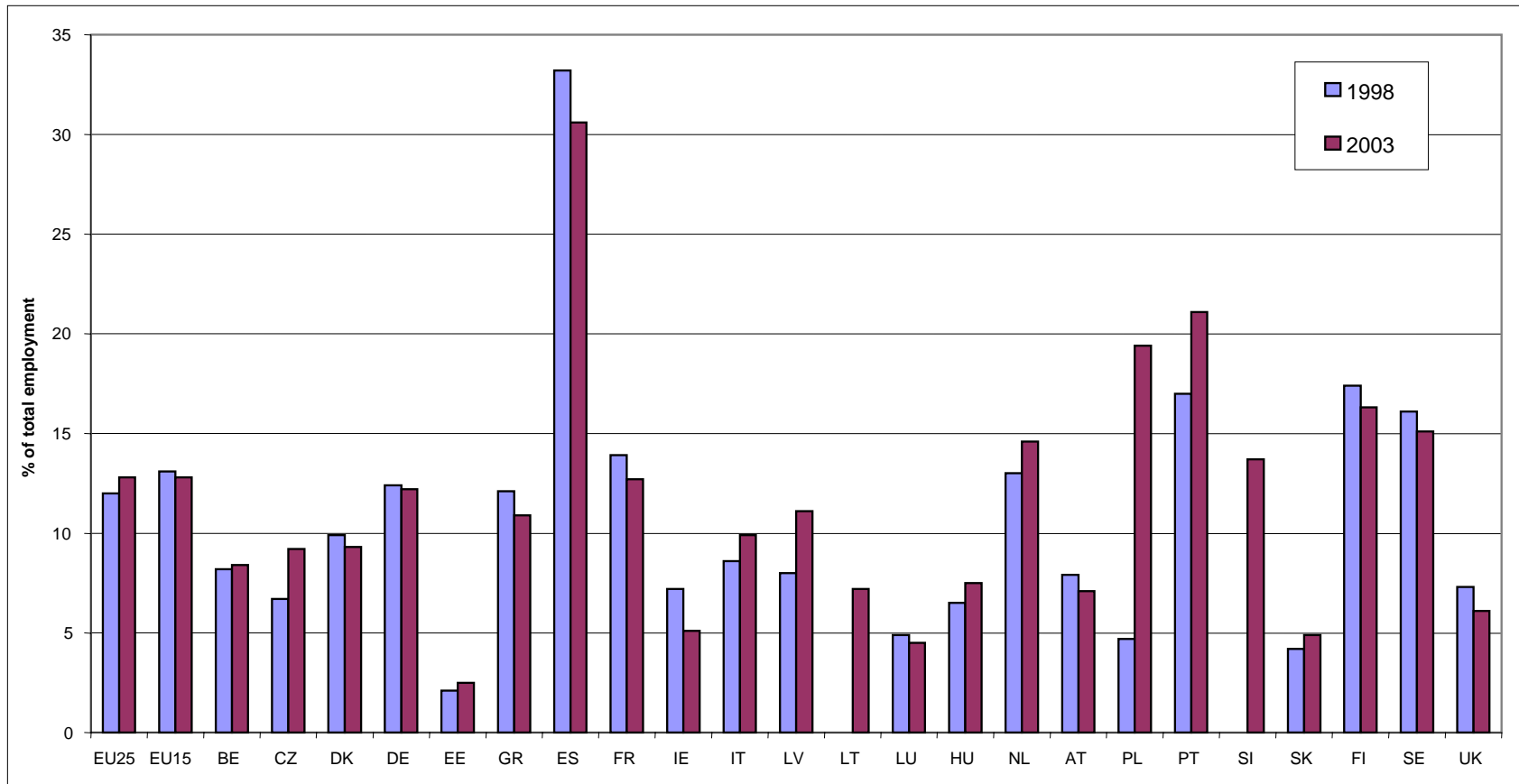


...but ease of finding one does

Source: ILO, Employment Sector, 2004

# Flexibility – policy matters

## Fixed term contracts, % of total employment



Source: Eurostat LFS

# Foreseeing a new workplace

- Future demographics will push EU policy attention to avoiding labour shortages
  - Labour participation
  - Longer working life
  - Immigration
- The future workplace – interaction between policy and practice
  - Breaking down thresholds to employment
  - Supporting competitiveness with responsible flexibility
  - Improving effectiveness and efficiency of matching demand and supply
  - Complementing talent retention with access to talent
  - Developing access to continuous skill development
  - Meeting needs and expectations of an ageing workforce
  - Accommodating increasing diversity