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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Progress in implementing the Joint Assessment Papers on employment policies in
acceding countries**

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Executive Summary

The present Communication updates the assessment presented in the Commission Communication on *"Progress in implementing the Joint Assessment Papers on employment policies in candidate countries"* (COM (2003) 37 final) for the ten acceding countries. The analysis summarises the conclusions of the in-depth reviews that took place between the Commission and the acceding countries in Spring and Summer this year. These reviews concluded the JAP co-operation process and were aimed at assisting the future Member States to prepare for participation in the European Employment Strategy and to prepare their National Action Plans for employment in 2004.

The Communication underlines the strategic challenges for the labour markets of the acceding countries: increasing employment and labour supply, ensuring that the functioning of the labour market is supportive of the on-going restructuring of the economy and adapting labour force skills. It assesses progress in labour market reforms and concludes that important efforts and reforms are needed to develop policies, that will allow progress to be made towards the EU objectives and targets set by the new European Employment Strategy.

The Communication also reviews certain elements of governance and partnership. Substantial efforts are needed to move towards a more co-ordinated design and implementation of employment policies, to up-grade the administrative capacity for policy planning and delivery, and to promote the participation of the social partners. There are also concerns about the financial and administrative resources needed to ensure full use of the Structural Funds and of the ESF in particular.

I Introduction

Once they become members, the new Member States will start to participate in the European co-ordination of employment policies and present their first National Action Plans in October 2004. The new Employment Guidelines (EGLs), now part of a Guidelines Package together with the Broad Economic Policy Guidelines (BEPGs), provide the future Member States with a clear basis for the required labour market reforms (see Annex 1).

Acceding countries started participating as observers in the Employment Committee (EMCO) and its groups in April 2003. This has already enabled them to get acquainted with important aspects of the European Employment Strategy (EES) and to make an early input into policy development at the EU level.

The Commission Communication on "*Progress in implementing the Joint Assessment Papers on employment policies in candidate countries*"¹ (hereafter the "JAP Progress Report") summarised the co-operation in the field of employment based on Joint Assessment Papers of employment policy priorities (JAPs). A supporting Document² described country-specific developments.

To conclude the JAP co-operation the Commission proposed in this Report to each acceding country to organise a seminar to review in depth the state of employment policies and the institutional setting and administrative capacities for implementing employment policy and ESF activities. These seminars were held between May and July 2003. The seminars reviewed the way the future Member States could relate their employment policies to the new EGLs and how they should prepare their first NAPs.

This document updates the findings of the "JAP Progress Report" on common policy issues and on institutional setting and administrative capacities on the basis of the in-depth reviews. The supporting document reports on country specific developments.

II Labour market trends and challenges

In the context of deep and rapid economic restructuring that characterises most candidate countries the "JAP Progress Report" had identified four key strategic labour market challenges that are largely confirmed:

- ***Increasing labour supply as a precondition for economic and social development***

In mid-2002, when the "JAP Progress Report" was drafted there were some signs of a pick up in activity rates in some countries but there is currently no evidence that these changes have been sustained. In 2002 labour market participation continued to stagnate or decline as in previous years - in particular in the prime working age group - in all countries except Latvia.

- ***Increasing employment to support economic growth and the catching-up of income in the enlarged EU***

Despite rather strong real economic growth of 2.4% in 2002 for the AC-10, against 1.3% in the EU-15, there was no noticeable change in the employment pattern of growth, which

¹ COM (2003) 37 final

² SEC (2003) 200

continues to be driven by strong increases in productivity while employment growth remains modest or stagnant.

The three Baltic countries are the only ones recording significant increases in their employment rates in 2002. Apart from Cyprus and in the Czech Republic, employment rates remain below the EU average (Chart 1).

Increasing employment of older workers remains a major challenge in most countries, notably in Hungary, Malta, Poland, Slovenia and Slovakia (Chart 3); employment of older women is also very low in these countries, and exceptionally low in Malta, Slovakia and Slovenia. Significant efforts are needed with a view to reaching the EU targets agreed in Stockholm and Barcelona i.e. an employment rate for older workers of 50 % and a progressive increase of about 5 years of the exit age from the labour market by 2010. Efforts to promote active ageing include limiting the use of early retirement schemes.

- ***Ensuring that labour market functioning is supportive of the on-going restructuring of the economy***

Most new Member States will see a continuation of rapid restructuring and of employment shifts out of agriculture and old style industries into services. This takes place in societies and work cultures which in some respect are not yet fully adapted to market economies and to the single market. Skilled and adaptable people will benefit, while low skilled people with difficulties to respond to change and disadvantages may suffer. Potentially large pockets of unemployment, low activity and poverty will tend to emerge and persist.

The "JAP Progress Report" already noted that labour markets tend to be highly segmented with a split between capital cities and regions in which the modern and dynamic economy and the skilled labour force are concentrated on the one hand, and the rest of the regions on the other. The issue of segmentation is now more widely recognised. Indeed, labour shortages in the most developed regions coexist with high unemployment in other regions. Differentials in labour market outcomes between the high and the low skilled remain substantial. Unless this trend is reversed, most acceding countries run a high risk of marginalising important parts of the population and excluding them from regular employment. Encouraging regional and occupational mobility remains a key challenge.

Signs of increasing segmentation are also low activity (see above) and high long-term unemployment: long-term unemployment increased in the acceding countries from 6.5 in 1997 to 8.1% in 2002 with levels of over 10% in Poland and Slovakia.

A further sign of severe labour market distortions is the persistence of a widespread informal sector and undeclared work that reflects low productivity, in particular in agriculture but also policy failures in establishing a stable institutional and legal environment and in addressing socio-economic problems resulting from the transition.

- ***Increasing and adapting labour force skills in the context of restructuring and future pressures linked to the Single Market***

Skill shortages and mismatches signal that adapting and upgrading skills remain a major challenge. The adjustment will be borne essentially by an ageing labour force which does not possess the skills and capacities for adaptation required in a rapidly changing environment. Therefore life-long learning is firmly on the agenda in all countries.

Adapting and upgrading skills is also an issue for the younger generations as shown by the persistence of high youth unemployment despite a relatively high level of education (as indicated by the share of young people aged 20-24 having completed at least upper-secondary education). This reflects amongst other things the still limited degree of responsiveness of vocational education and training to labour market needs.

III Progress in addressing key policy issues

Greater efforts are needed to ensure that wage developments and wage formation systems are employment-friendly...

The "JAP Progress Report" drew attention to the need for social partners and Governments to promote employment-friendly wage developments and to monitor the impact of wage increases and of minimum wages on employment.

Recent wage developments in the Czech Republic, Estonia, and Hungary confirm this concern as they exceeded productivity trends. While wage differentials by skills continue to encourage skill formation there is now more concern about wages differentials between regions. Coupled with high costs of housing and transport current wage levels seem to contribute little to attracting workers to regions with skill and labour shortages.

Regular increases of the minimum wage aim at encouraging job take-up by widening the gap with welfare benefit levels. This should also contribute to preventing informal activity and wage under-reporting. Care must be taken not to price low-skilled workers out of the labour market. Poland has introduced a lower minimum wage for the young and Slovakia is considering a regionally differentiated minimum wage.

...and that tax-benefit systems are supportive to employment

While recognising the complexity of the task, the "JAP Progress Report" stressed the need to address the high tax burden on labour, and on low paid labour in particular, in order to encourage job creation and take-up in the formal sector. Concerning benefit systems, the Report insisted on the importance of consistent links between activation and income protection to support work take-up.

Recent attempts to reduce the tax burden on labour focus on increasing the level of the non-taxable income but this has a limited impact on the tax-wedge which is for the low paid often almost exclusively composed of social security contributions. Only Hungary and Latvia have decreased social contributions and in most countries social contributions bear heavily on the overall tax burden on labour. Given the need to sustain fiscal consolidation efforts should concentrate on achieving a significant reduction of the tax burden on low paid workers as asked for in EGL 8.

Unemployment benefit reforms are progressing. Under present systems benefit levels are low but can still generate unemployment traps in particular for unemployed with children. Hungary has complemented the standard unemployment benefits with a premium for job search. Reforms of social assistance systems are on-going or envisaged in Cyprus, the Czech Republic, Estonia, Latvia, Lithuania, Poland and Slovakia with the aim of reducing dependency and encouraging work take-up.

Recent work on benefit systems in particular in Poland and Hungary has shown that other welfare schemes such as disability and other health related benefits for people of working age

are often more important than unemployment benefits or social assistance and need to be examined and reformed. Unemployment insurance with a well established link to job search and activation is preferable to provide social protection rather than benefits which encourage labour market exit.

Gradual increases in retirement ages and reforms of early retirement schemes have so far had a limited impact on older people's participation and employment. More proactive and comprehensive strategies are needed to promote active ageing in line with EGL 5.

Ensuring the right balance between flexibility and security remains an important challenge

The in-depth reviews confirmed that developing more flexible work contracts and arrangements could make an important contribution to job creation and higher participation, in particular for women and older workers. As an illustration, the share of part-time (8% in AC-10) and fixed-term work (11% in AC-10) in total employment remains substantially lower than in the EU-15 where the availability of more diversity in work arrangements has contributed to a more intensive growth pattern³. It is crucial that further reforms of labour law, which are part of the translation of the *acquis* aim inter alia at facilitating more diversity in working time arrangements and labour contracts without compromising workers' security.

Putting in place the legal framework is an important step but the new provisions need to be used and accepted by enterprises and workers, who often perceive new contractual or working arrangements as an additional bureaucratic burden or a threat to their security. Enabling social partners and enterprises to play their role in ensuring the right balance between flexibility and security is now a key task as required by EGL 3 in order to promote adaptability and mobility.

Tackling undeclared and informal work: a new policy focus

The "JAP Progress Report" drew attention to the role of tax and benefit levels in encouraging informal and undeclared work. The in-depth reviews showed that undeclared work is recognised as a matter of concern also in the acceding countries (see EGL 9). Efforts are being made to improve the control of businesses' registration and declaration, but there is a need to understand better the nature and size of the informal sector. Monitoring the impact of income support to the unemployed or the (formally) inactive, including pensioners, and of taxation on labour while developing appropriate control of benefit systems and support to job-search and take-up are essential for transforming undeclared work into regular employment.

Progress in human resource development needs to be consolidated

The "JAP Progress Report" supported the reforms of education and training systems in order to adjust them to the requirements of modern economies and societies. Similar to the ETF "Country Monographs"⁴, the report highlighted the importance of improving the quality of education and training and called for making the concept of lifelong learning operational.

³ see "Employment in Europe 2002", chapter 2

⁴ European Training Foundation, "Country Monographs" on VET and employment services"; "Cross country summary of needs in the fields of employment/human resource development" (monographs synthesis report, April 2003); "Thirteen years of reform of vocational training systems in candidate countries – Lessons to be learned in relation with the Lisbon objectives" (Draft June 2003).

The implementation of reforms is well advanced regarding general education and is now moving towards making vocational education and training more responsive to labour market needs. Improving the quality of education for all remains an important issue. Steps have been taken in Estonia, Latvia and Lithuania to address drop-outs and this is a specific target in Hungary's recent amendment to the Education Act. Sustained efforts and careful monitoring of results will be needed to ensure progress towards the European target set in EGL 7 of no more than 10% of early school leavers by 2010.

The in-depth reviews documented some progress in developing credible strategies and operational frameworks for lifelong learning in particular in the Czech Republic, Poland and Lithuania. Systems to define and recognise skills and to certify adult training providers are being established.

Establishing incentives for business and individuals for training remains a crucial issue everywhere. Hungary has developed a set of fairly comprehensive financial incentives (benefits and tax credits) for participation in training addressed at workers, the unemployed and the inactive.

Systems are being progressively put in place but actual participation in training remains low (Chart 4) and achieving the EU average level of 12.5% of the adult working age population in lifelong learning targeted by EGL 4 will require considerable efforts.

Moreover, there is concern over the very low levels of participation in education and training of low-skilled adults⁵ which is below 1% in the Czech Republic, Hungary and Poland. Ensuring access to lifelong learning for all and in particular for those with the lowest levels of education and skills is likely to be a considerable challenge for all countries.

Serious efforts are needed for activation and prevention

Active labour market policies (ALMP) and preventative approaches play a critical role in supporting people's adjustment to structural changes. The "JAP Progress Report" asked for a shift towards measures enhancing people's employability and adaptability and for more focus on prevention, as well as for better targeted policy measures.

The need for activation and more preventative approaches is more widely recognised and has been translated into measures promoting individual action plans and programmes targeted at the long-term unemployed and the young. The picture is more mixed regarding the shift towards measures enhancing employability, in particular training, and in several countries programmes continue to be focused on temporary employment. Targeting and evaluation remain crucial to ensure a high efficiency of ALMP spending.

Recent progress should be a good basis for countries to move from pilot programmes towards a mainstream approach. Even in countries with relatively low levels of unemployment its duration increases. Considerable efforts will be needed in all countries to reach the targets set in EGL1 regarding prevention and activation.

Integrating people at a disadvantage and achieving inclusive labour markets remain major issues to increase labour supply and promote social cohesion

⁵ Defined as population aged 25-64 with less than upper secondary studies completed. LFS data only available for CZ, HU, POL and SK.

More inclusive labour markets support social cohesion and also contribute to increasing participation and employment. While recognising efforts made in the field of education, the "JAP progress Report" asked for more rigour in the implementation of integration strategies directed at the disadvantaged, ethnic minorities and the Roma in particular.

Recently, acceding countries put more emphasis on labour market integration of people with disabilities, who represent sizeable shares of the inactive people of working age in particular in Hungary, Poland, Estonia and the Czech Republic. Promoting effective labour market integration requires linking specific programmes with health policies and with reform of related benefit systems.

Facilitating access to mainstream initial education continues to be the focus for the integration of Roma. There is little news on the implementation of already adopted integration strategies in the Czech Republic and Hungary. The new priority given to the integration of Roma in Slovakia needs to be rapidly translated into concrete action. Setting appropriate conditions and providing adequate resources for access to active support and employment services, and more generally, enabling the Roma community to participate in mainstream society at all levels remain crucial tasks in most Central and Eastern European acceding countries.

The "JAP Progress Report" documented the higher unemployment risk of the non-native population in the Baltic countries, in particular in Latvia and Estonia. Little progress has been made in Latvia and therefore developing a policy response to promoting the integration of Non-Latvians into the labour market and addressing possible obstacles to their registration at the PES remain urgent tasks. Estonia needs to monitor the efficiency of employment programmes targeted at the disadvantaged regions in which the non-Estonian population are concentrated.

Substantial efforts are needed to achieve a significant reduction of unemployment gaps for people at disadvantage in relation with EGL 7.

Foreigners employed on a temporary basis represent a high share of the labour force in Cyprus and their contribution to the economy needs to be fully recognised and reflected in overall employment and social policy.

Little change regarding the promotion of gender equality

The "JAP Progress Report" recognised the rising awareness of gender equality policies and asked for the full implementation of the legal and strategy frameworks in relation to the *acquis*. As already noted in this report, women's employment rates are above the EU average except in Malta, Hungary, Poland and Slovakia (Table 1, Chart 2), but both female participation in the labour market and employment are on a declining or stagnating trend in most countries. Women continue to run high risks of long-term unemployment including in countries with a relatively low level of unemployment.

The in-depth reviews have focused attention on the low incidence of family-friendly working contracts and flexible working time arrangements as an obstacle to female participation but progress in this respect remains slow. There is now also more understanding of the need to promote affordable child-care facilities but important efforts will be needed to achieve the related targets set in EGL6.

IV Ensuring good governance for implementing the EES

The "JAP Progress Report" identified capacity building in a broad sense as a precondition for developing and implementing employment policies. It urged to improve policy planning and co-ordination as well as implementation capacities, including for ESF support. It underlined social partners' responsibilities in modernising the labour markets. All these are elements of the good governance and of the partnership approach emphasised in the new EGLs as important issues for the implementation of the EES.

Policy planning, guidance and supervision

All countries have for several years been developing employment strategies. The JAPs have contributed to identifying priorities for supporting a comprehensive approach to employment policies. Nevertheless, efforts are still necessary in many countries, particularly Latvia, to develop a strategic approach beyond a series of measures and programmes.

The agreed strategies have been prepared with the participation of the relevant Ministries and led to the setting-up of ad-hoc co-ordination structures. Evidence is mixed on the extent to which policy planning and guidance reflect regional and local situations. There is now a need to ensure policy co-ordination on a permanent basis so that it actually translates into policy guidance at all levels and is reflected in the first NAPs.

Countries' employment strategies often lack precise and realistic objectives and targets, which have been recognised in the evaluation of the EES as a crucial element in stimulating reforms. At the same time, deficiencies in monitoring and evaluation systems and a lack of organised feed-back to all relevant levels and partners affect the ability to measure progress effectively. A policy evaluation culture is still at its beginning and capacities need to be enhanced for this purpose both in the PES and the Ministries.

All acceding countries are gradually moving towards a more co-ordinated and integrated approach to employment and related policies. Nevertheless, the way various policies, in particular economic, regional, education and training and taxation policies, can promote employment needs to be further elaborated in the NAPs.

The NAPs must also reflect the synergies between employment and social policies. Improving the labour market situation of the disadvantaged for example, requires a sound application of the antidiscrimination *acquis* and employment policies. The implementation of the *acquis* in labour law, equal treatment between men and women, social dialogue, and health and safety should help in promoting employment. If policies are pursued in isolation impacts will be weak and targets will not be reached, while together they have the potential to make a real difference.

Efforts to improve policy planning are also directly related to planning for the purposes of Structural Funds financing, including the ESF. The JAPs formulate the substantive basis for the ESF programming documents. The key challenges identified in the JAPs must be clearly addressed in those programmes by elaborating corresponding strategies and concrete actions for ESF support. This exercise is crucial for the progressive adjustment of the acceding countries' policies and institutions to the implementation of the EES.

Social partnership

Social partners have a key role to play in ensuring good governance and are explicitly invited to play their part in the effective implementation of the new EGLs. As noted in the Commission JAP Progress Report, national tripartite structures exist in all acceding countries,

but apart from Cyprus and Slovenia, where social partnership is well established, there is scope for a stronger and more active role of social partners at this level and for making tripartism effective also at regional and local levels.

The autonomous bi-partite social dialogue is still not sufficiently established to enable social partners to play a meaningful role in wage formation, human resource development, the adaptability of firms and workers, the synergy between flexibility and security as well as health and safety at work.

While governments are generally favourable to a stronger involvement of social partners, it is not certain that the latter always grasp their role and responsibilities for employment policies to the fullest extent possible. While progress is being made in strengthening social partners' capacities there is still a long way to go until social dialogue becomes a reality at all levels.

Social partners' involvement must also be ensured in the ESF implementation process. Most of the acceding countries refer to the social partners under certain measures, but their overall involvement in the process is still not sufficiently guaranteed.

Delivery systems

The "JAP Progress Report" underlined the need to sufficiently resource employment policies in terms of staff and financial means. This includes the capacity to fully exploit the potential of the European Structural Funds and of the ESF in particular, from the moment of accession. More specifically, the Report stressed the crucial role of the Public Employment Services (PES) as the institution for policy delivery and often also for the implementation of ESF support.

Progress in the modernisation of the PES has recently been made in Lithuania and commitments have been re-stated in the Czech Republic and Hungary. The intention of the Polish authorities to re-establish nation-wide PES co-ordination would be an important step forward for the delivery system in this country. PES structures are progressively up-graded to respond to the increasing number of tasks and responsibilities given to PES, but there is still considerable scope for improvement in particular in Slovakia and Latvia but also in Slovenia.

Most countries are making an important effort to up-grade PES staff skills but quantitative bottlenecks remain. The allocation of staff to the local PES is far from optimal and there is still a long way to go to establish PES as a meaningful partner at regional and local levels.

Setting up structures appropriate for the ESF implementation and management requires further efforts. Delays in designating and establishing structures for the ESF implementation are of particular concern in Slovakia. Administrative capacity has been improved or is being upgraded in most of the other countries but stronger efforts in that respect are needed, in particular in the three Baltic countries, the Czech Republic and Hungary. Establishing or improving arrangements to ensure appropriate co-ordination is crucial for all countries. Without a major step forward in terms of delivery and resource allocation meaningful ESF implementation cannot be taken for granted. As the main resource of the acceding countries is their workforce, making the optimal use of ESF assistance is crucial to their economic and social development.

Financial resources

As highlighted in the new EGLs ensuring adequate financial resources is a crucial factor for an efficient delivery of employment policies. At the moment and despite the policy priority given to employment in most countries, uncertainty in the overall budgetary environment as well as in policy planning and supervision does not allow for a sustained and credible allocation of financial resources. Given the dire financial situation, it is all the more important to focus on the quality of spending and on the efficiency of measures.

Active expenditures have decreased or stagnated in several countries and the overall level of active spending (as a % of GDP) remains low given the level of unemployment particularly in the three Baltic countries, Poland and Slovakia.

Public spending on education remains relatively high in most countries but follows a decreasing or stagnating trend. Allocation is unbalanced towards general education and shifts in spending are necessary to respond to the need for higher quality. Funding mechanisms are lacking to back lifelong learning strategies through a consistent flow of resources.

Developing active labour market policies and modernising the PES, developing vocational education and training systems and promoting measures to ensure equal and fair access to the labour market regardless of gender, age or ethnicity are tasks which fall squarely within the scope of interventions supported by the ESF and the Fund is to be the preferred instrument for providing structural finance for these purposes. As recalled in the EGLS, the Structural Funds and ESF in particular can also play an important role in strengthening the institutional capacity for employment policies.

V Next steps

In Autumn 2003, Member States presented their 2003 NAPs based on the new EGLs. In mid-January 2004, the Commission will adopt the draft Joint Employment Report (JER), together with the draft BEPGs' implementation report. The Employment Committee (EMCO) will make its multilateral review of the NAPs and in the first and second quarters of 2004, it will discuss the draft JER proposed by the Commission and individual recommendations to the present Member States. The future Member States will be involved in the work through their participation in EMCO. These discussions will further familiarise them with the NAP exercise, the key policy issues and the employment co-ordination process with a view to the presentation of their first NAPs by October 2004.

- The acceding countries have joined the "Employment Incentive Measures" programme (EIM) in 2003 and have all signed the Memorandum of Understanding on the EIM. In the EIM Committee they will articulate their needs regarding the 2004 work programme supporting their participation in the EES.

Through the EIM programme, acceding countries will also benefit from operational support in their preparation for implementation of the EES. They will in particular take part in the exchange of experiences and identification of good practice in employment policies via the peer review exercise carried-out within the framework of the EES. They will also be involved in the two expert networks (MISEP and SYSDEM) of the European Employment Observatory. Co-operation among the Public Employment Services will continue and include a set of EIM-financed training modules for acceding countries.

- ESF programming documents currently under discussion with the Commission will set the framework for human resource development priorities for future ESF funding. Establishing

appropriate links between the JAP policy issues and ESF funding has been of particular concern for the Commission. The documents must therefore clearly demonstrate the coherence of human resource development strategies with the issues and priorities identified in the JAPs. In order to allow for ESF support to start as intended in 2004, the negotiations of the documents should be concluded by the end of 2003.

ANNEX

The new European Employment Strategy

In July 2003, the Council adopted a new set of Employment Guidelines⁶. The new Guidelines address three overarching objectives:

- full employment, in particular meeting the Lisbon and Stockholm employment targets;
- the promotion of quality and productivity at work, reflecting in particular, the need for better jobs in a knowledge-based economy and the need to promote EU competitiveness; and
- the fostering of social cohesion and inclusive labour markets, including the reduction of regional employment disparities.

They also comprise ten specific guidelines:

- active and preventative measures for the unemployed and inactive;
- job creation and entrepreneurship;
- address change and promote adaptability and mobility in the labour market;
- promote development of human capital and lifelong learning;
- increase labour supply and promote active ageing;
- gender equality;
- promote the integration of and combat the discrimination against people at a disadvantage in the labour market;
- make work pay through incentives to enhance work attractiveness;
- transform undeclared work into regular employment;
- address regional employment disparities.

A special emphasis is also given to improving implementation and governance. This includes efforts to strengthen delivery mechanisms, the involvement of social partners and backing with adequate financial means.

⁶ Council Decision of 22 July 2003, (2003/578/EC), Official journal of the European Union, L1 97, 5. 8. 2003

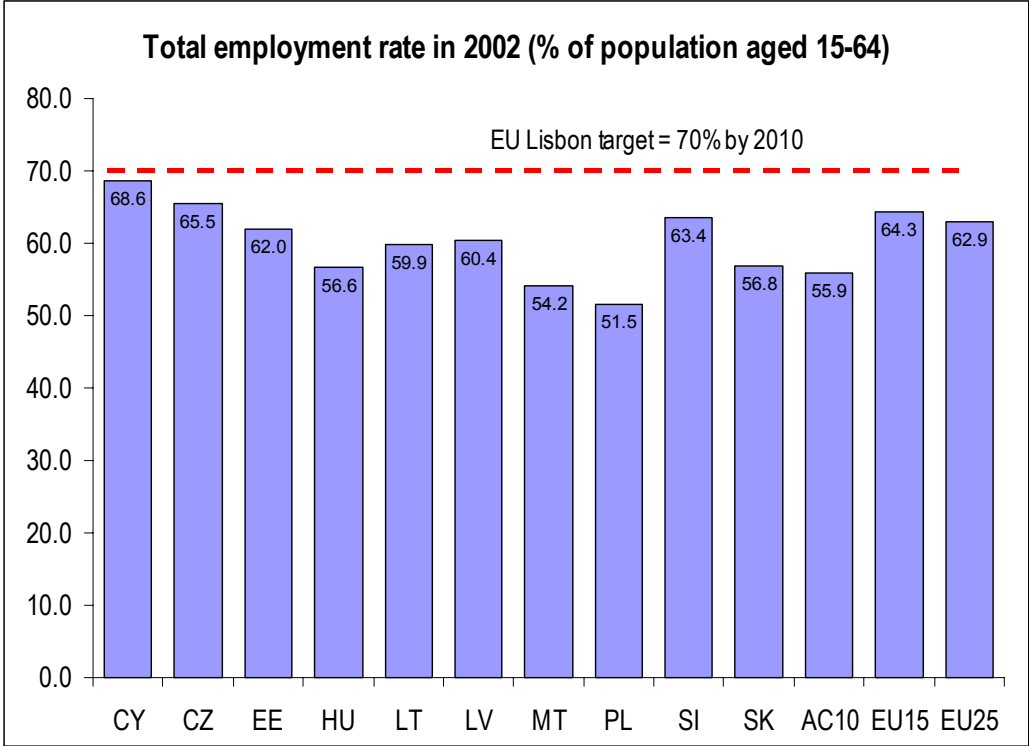
ANNEX 2

Table 1

Employment, participation and unemployment rates in 2002												
Country performance towards 2010 EU employment rate targets							Activity and unemployment rates					
	Employment rate 15-64 in 2002 (% population 15-64)			Employment rate older workers aged 55-64 in 2002 (% population 55-64)			Activity rate 15-64 in 2002 (% population 15-64)			Total harmonised unemployment rate in 2002 (% labour force)		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
CY	68,6	78,8	59,2	49,2	67,0	32,1	71,0	81,0	61,7	3,8	2,9	5,0
CZ	65,5	74,0	57,1	40,8	57,3	26,0	70,7	78,7	62,8	7,3	5,9	9,0
EE	62,0	66,5	57,9	51,6	58,4	46,5	69,3	74,6	64,4	9,1	9,8	8,4
HU	56,6	63,5	50,0	26,6	36,7	18,5	60,1	67,7	52,9	5,6	6,0	5,1
LT	59,9	62,7	57,2	41,6	51,5	34,1	69,6	73,6	65,8	13,1	13,3	13,0
LV	60,4	64,3	56,8	41,7	50,5	35,2	68,8	74,1	63,9	12,8	13,7	11,8
MT	54,2	76,4	31,6	31,0	52,5	11,3	-	-	-	7,4	6,4	9,8
PL	51,5	56,9	46,2	26,1	34,5	18,9	64,6	70,6	58,7	19,9	19,1	20,9
SI	63,4	68,2	58,6	24,5	35,4	14,2	67,8	72,5	63,0	6,0	5,7	6,4
SK	56,8	62,4	51,4	22,8	39,1	9,5	69,9	76,7	63,2	18,6	18,4	18,8
AC10	55,9	61,8	50,2	30,5	41,2	21,4	65,8	72,3	59,5	14,8	14,2	15,6
EU15	64,3	72,8	55,6	40,1	50,1	30,5	69,7	78,4	60,9	7,7	6,9	8,7
EU25	62,9	71,0	54,7	38,7	48,9	29,1	69,0	77,4	60,7	8,9	8,0	9,9

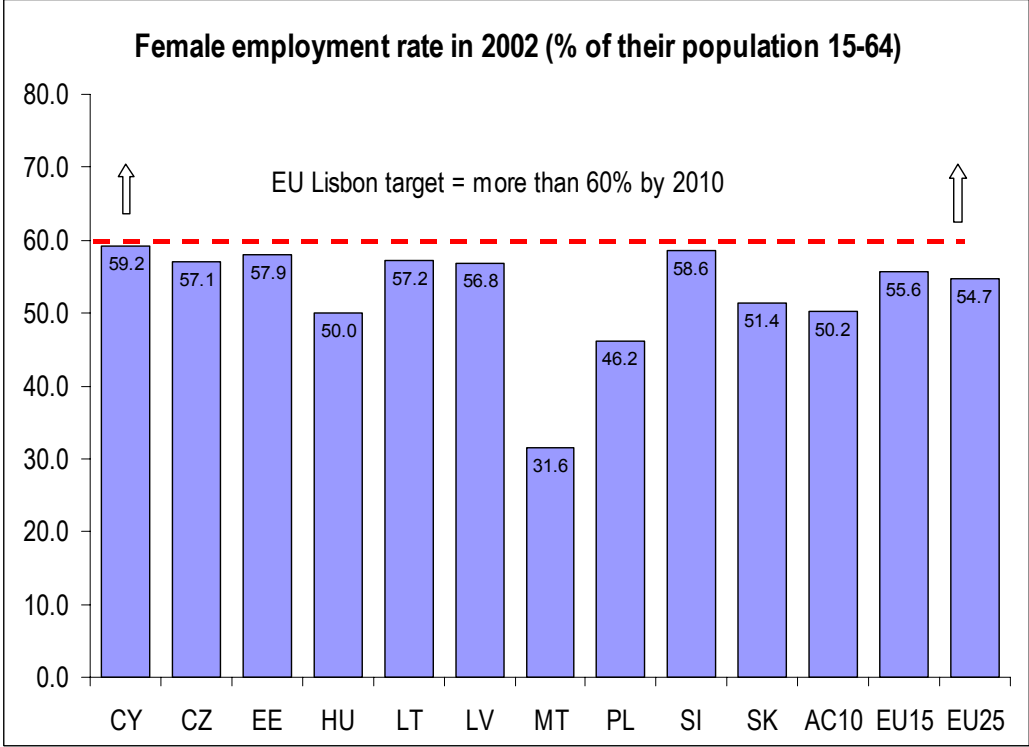
Source: Employment rates for Malta refer to 4th Quarter 2001. Employment and activity rates, comparable annual estimates based on LFS, Eurostat. Unemployment rates, harmonised unemployment series, Eurostat.

Chart 1



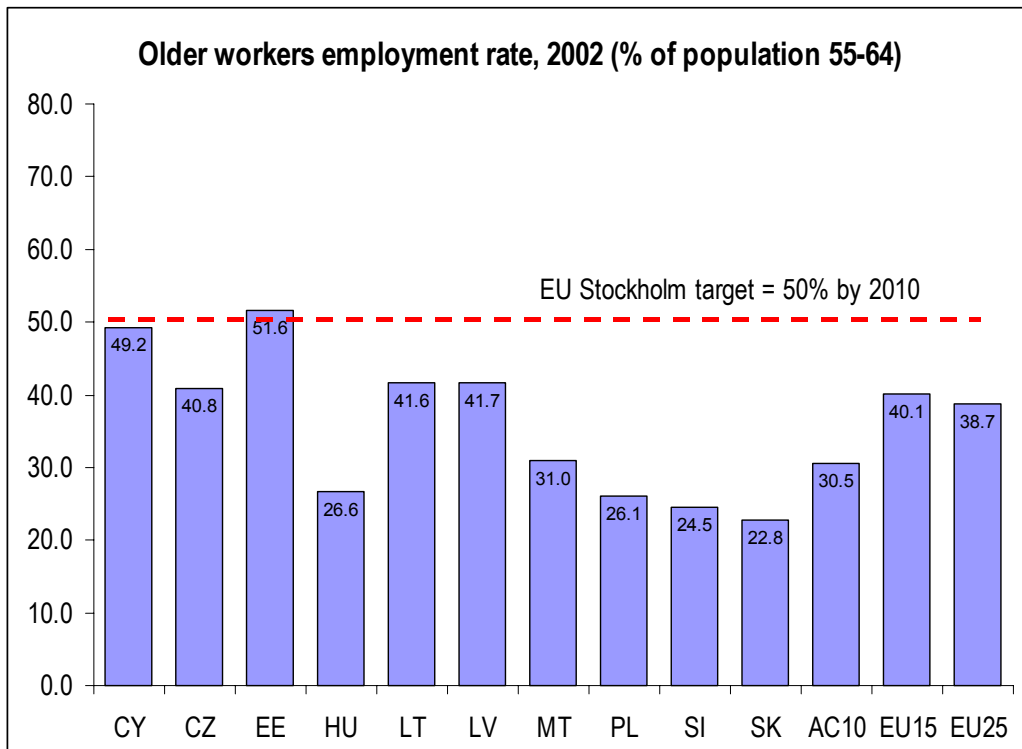
Source: Annual averages based on quarterly labour force survey, Eurostat. MT, Q4 2001.

Chart 2



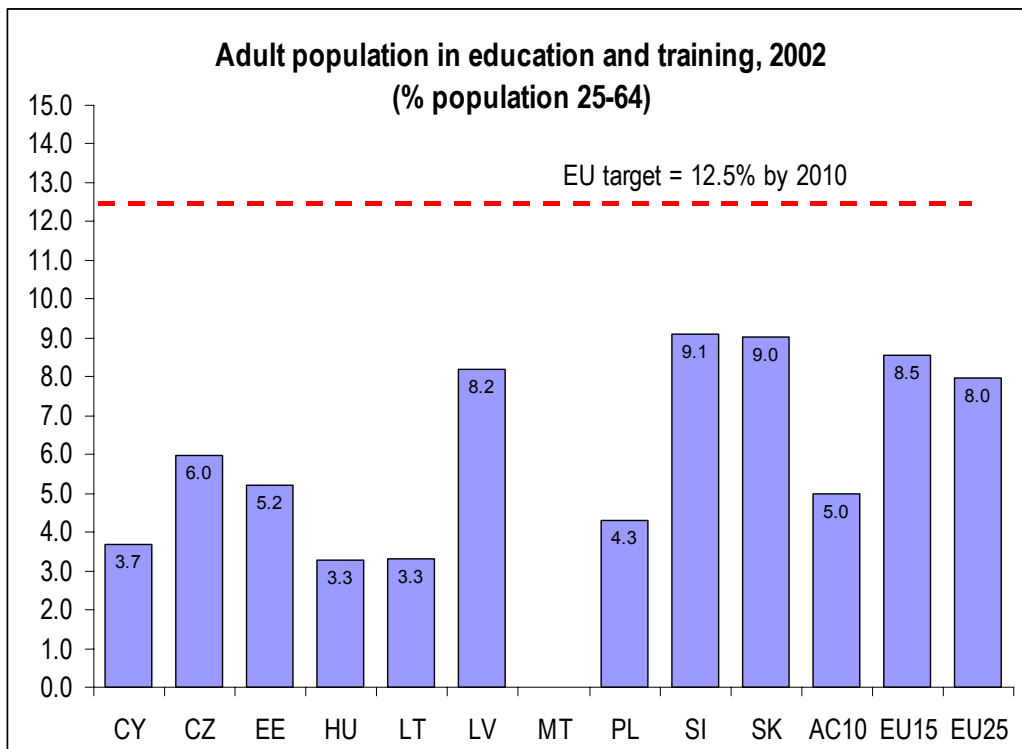
Source: Annual averages based on quarterly labour force survey, Eurostat. MT, Q4 2001.

Chart 3



Source: Annual averages based on quarterly labour force survey, Eurostat. MT, Q4 2001.

Chart 4



Source: Labour Force Survey (EU definitions), Spring results, Eurostat.