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**REPORT FROM THE COMMISSION TO THE COUNCIL
AND THE EUROPEAN PARLIAMENT**

**EURES Activity Report 2004 – 2005 presented by the Commission in accordance with
Article 19 (3) of Regulation (EEC) No 1612/68**

"Towards a single European labour market: the contribution of EURES"

TABLE OF CONTENTS

1.	Introduction	3
2.	Main evolution of the EURES network during 2004-2005	4
3.	The EURES Priorities 2004 - 2005 – main achievements	4
4.	Funding	10
5.	Challenges ahead and outlook.....	11

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(Text with EEA relevance)

1. INTRODUCTION

The role of EURES (European Employment Services) is to facilitate mobility in the European labour market by providing services to workers and employers wishing to take advantage of the right to the free movement of workers in the EU in accordance with Regulation 1612/68.

The European Employment Strategy promotes geographic mobility as a means to improve the functioning of the labour market in Europe. The Employment Guidelines of July 2003 state that the transparency of job and training opportunities at national and European level should be promoted in order to support effective job matching. These Guidelines specify in particular that by 2005, jobseekers throughout the EU should be able to consult all job vacancies advertised through Member States' public employment services. The new Integrated economic and employment guidelines 2005 – 2008 refer for their part to mobility as a crucial instrument for the success of the Revised Lisbon Strategy. The Guidelines for the employment policies of the Member States of July 2005 put an even greater emphasis on mobility. Guideline n°20 specifies that mobility is central to allow more people to find better employment and calls for the removal of "obstacles to mobility for workers across Europe within the framework of the treaties."¹ The Commission proposal for a Community Lisbon Programme of July 2005 commits likewise the Community to the removal of obstacles to labour mobility in order to facilitate occupational and geographic mobility and open up employment opportunities arising from a pan-European labour market.²

The enlargement of the EURES network to the ten new Member States is the most important development in the EURES network in the period covered by this report (2004-2005). Part of the report is thus devoted to the development of a EURES structure in these countries. As all EURES activities carried out by members and partners are based on a framework of guiding principles, the performance of EURES for 2004-2005 needs to be assessed by comparing actual achievements with the specific objectives and priorities which were laid down for this reference period. The report is structured, consequently, according to the ten EURES priorities which have guided the development of the network in the period 2004-2005. In the preparation of this report, an extensive use was made of the findings of the last external evaluation of the network, carried out in 2005.

¹ Council Decision, Guidelines for the employment policies of the Members States, 12 July 2005
² COM(2005)330

2. MAIN EVOLUTION OF THE EURES NETWORK DURING 2004-2005

2.1. Enlargement

In the second half of 2002, the EURES Co-ordination Office (EURESCO) started with the preparations of the Public Employment Services (PES) in the ten new Member States for membership in the EURES network. EURES managers were appointed in each country and they were invited to attend the EURES Working Party as observers as from July 2003. EURESCO provided the PES with clear lists of objectives for the implementation of EURES and organised meetings between PES in old and new Member States with a view to facilitating information exchange. EURESCO assisted with the smooth carrying out of technical actions, i.e. the linking up of national vacancy databases to the EURES database, trained the EURES managers in EU grant management and trained the first groups of new EURES advisers in 2004.

In addition to support from EURESCO, all PES in the new Member States benefited from a PES twinning partnership with a member from an old Member States. This co-operation started at a personal level as twinning between the Director Generals of the PES and led in many cases to various types of practical cooperation between the two organisations (joint organisation of job fairs, training of EURES advisors from the new Member States, etc.).

In country studies carried out on behalf of EURESCO, the large majority of the PES in the new Member States considered that they were sufficiently prepared to enter the EURES network on 1 May 2004. 60% of EURES advisers in the new Member States stated likewise that they felt fully prepared for their tasks within the network.

An overall assessment of the first experiences with the setting up of a EURES structure in the new Member States, shows that all ten new members have made a good start with the implementation of EURES. They all have an active information programme, targeted at the different actors and stakeholders of the EURES project. The knowledge and experience of the EURES advisers is elaborated through extra training courses, studies, seminars and meetings with EURES actors in other countries. Jobseekers are approached via information days, job fairs, counselling, school and university visits and special events. Leaflets and notice boards in universities and local employment offices complement these information activities. And several reports refer to a good use of the media to get EURES known to the public.

3. THE EURES GUIDELINES 2004 - 2005 – MAIN ACHIEVEMENTS

The EURES Guidelines set out the priorities for the strategic development of the EURES network in the period 2004-2007. The performance of EURES in 2004-2005 is consequently assessed on the basis of the ten guidelines.

3.1. Guideline 1: Step up mainstreaming of EURES in the Public Employment Services throughout the EU/EEA territory

The mainstreaming of EURES in PES is an ongoing process, which PES traditionally deal with in different ways. In many cases, more EURES advisers and EURES assistants have been appointed and the amount of working time the latter can devote to EURES issues has been increased. Other PES have given priority to the training of line managers and regular PES staff on EURES issues with a view to enabling all PES staff to provide basic information on EURES to clients. Some PES have given increased importance to EURES by moving the EURES advisers from the central level of the organisation to regional or local employment offices, thereby giving the EURES adviser a more front-office role. Finally, several PES have

chosen to create a structure of international employment offices, purely devoted to international mobility issues.

By the end of 2005, the average working time spent on EURES by EURES advisers employed by the PES approached 71%. For the EURES advisers working for the social partner organisations or other partner organisations in the cross-border regions, the figure was 61%.

Every third year, all EURES members submit to EURESCO a tri-annual activity plan which describes the main EURES activities that will be carried out in the period covered by the EURES Guidelines. A large majority of the PES in the old Member States and all PES in the new ones had mainstreaming activities included in their activity plans, but actual progress varies from country to country. A survey carried out in 2005 reveals that 48% of the EURES advisers in the old Member States indicated that EURES was an integrated part of the daily work of the local employment offices. In the new Member States, the figure was significantly higher - 76%. Furthermore, in the old Member States only 32% of the EURES advisers felt that their PES colleagues were well informed about EURES while in the new ones this figure was 66%. Although some progress has been reported, many EURES advisers in the old Member States still feel that EURES is regarded as a side-issue in PES. The situation is somewhat different in the new Member States, as many of these countries are still developing their PES organisation and EURES is more often considered as an integrated part of their development process. Another important factor in the new Member States is that EURES might be seen more as a direct solution to certain labour market problems.

Despite some progress made with the integration of EURES in PES, an important challenge remains the lack of commitment and support of many local and regional line managers to the network, due mainly to their focus on local or regional unemployment targets. In order to remedy this situation, the EURES training programme for 2005 included two specific seminars for line managers.

3.2. Guideline 2: By 2005 all job vacancies advertised by the Public Employment Services to be accessible to jobseekers for consultation throughout the whole EU/EEA area, and effectively used to enhance recruitment and placement

In order to achieve this objective in the most cost-effective and user-friendly way it was decided during the reference period to replace the EURES central database, to which EURES members had been posting selected national job vacancies, with a new decentralised system giving direct access to virtually all national vacancies in all participating countries. The project was developed through the new "web services" technology, which effectively allows the EURES Portal Search Engine to search, in real time, each national PES vacancy database for jobs by using a number of parameters set by the user such as type of job, country, contract duration, level of education, experience, date of vacancy, keyword and through the use of a taxonomy of synonyms for jobs and skills.

With only a few exceptions, the EURES members had fully connected their national databases to the new platform before the end of 2005. The EURES Job Mobility Portal has become, with an average of more than 500.000 visitors per month in 2004 - 2005, one of the most popular websites of the European Commission. The new exchange system was officially launched at the opening conference of the European Year of Worker's Mobility in Brussels in February 2006.

Since then, the remaining databases were fully connected and the average number of vacancies available at any given time grew to around 1.000.000. Much work has also been done, in close co-operation with the EURES members, to improve the quality of the

information provided on the portal. In order to facilitate internal communication within the EURES network, the portal has been complemented with an Extranet section open to all EURES members and partners.

The further development of the EURES portal will focus, among other points, on an improved user interface and a number of new features such as personalised "My EURES" accounts, the designing of on-line newsletters, closer links between the EURES CV Online application and EUROPASS, and synergies with the jobs available on the European Researchers' Mobility portal.

Statistics regarding the use of the EURES Job Mobility Portal can be found in Annex 1.

3.3. Guideline 3: Improve substantially the provision of information on all aspects of labour market mobility, including the rights related to free movement of workers and ensure the monitoring of obstacles to mobility with a view to their removal

Information to the public on labour market mobility is provided both at European and national level. EURES provides information on Living and Working Conditions, Labour Market Information and rights related to free movement of workers in all Member States. For this latter topic a special detailed section was created on line on the occasion of the enlargement of 1 May 2004 (see also Guideline 7). Following fruitful contacts in 2005, a special partnership was established with the Citizens Signpost Service (CSS)³, enabling EURES users to have direct access to the CSS and introduce inquiries for personalised advice on issues like the recognition of qualifications, taxation and social security. The Your Europe portal⁴ is also of interest to the EURES network. The complementarity of this portal and the EURES Job Mobility Portal has been recognised by the Commission and synergies are being exploited for the mutual benefit of the users.

At national level, information on these matters are distributed to a wide audience through national PES websites, leaflets and other printed material as well as through EURES advertisements in magazines and journals. Through their daily work, the PES and the EURES partner organisations monitor the obstacles to inward and outward mobility and take action in order to remove obstacles where possible.

3.4. Guideline 4: EURES services must be provided to persons irrespective of their EU/EEA country of residence and be available for the broadest possible range of persons

This guideline is a major guiding principle that sets EURES apart from other services providers in the labour market. In the period 2004-2005, all EURES members and partners have ensured that the principle of equal treatment for all persons, irrespective of their country of residence in the EU/EEA area, has been duly respected in the provision of their services.

3.5. Guideline 5: Approach employers actively and provide them with support for transnational recruitment

³ <http://ec.europa.eu/citizensrights>

⁴ <http://ec.europa.eu/youreurope>

Close contact between EURES and employers is a key feature of the network, and a prerequisite to ensure that EURES services are geared to employers' needs. A wide range of activities directed towards this target group were carried out by the EURES members and partners in 2004-2005. The activities included recruitment fairs, co-operation with chambers of commerce and other employer organisations (including social partner organisations), information sessions, promotion campaigns, distribution of leaflets and posters, placement of trainees in foreign enterprises, co-operation with employers in university environments, production of employers' guides to the European labour market, company visits, breakfast meetings with employers, etc.

The credibility of the EURES network service provision is crucial for the overall success of the network and several PES (i.e. Germany and the UK) have introduced service level agreements when carrying out international recruitment projects for a specific employer.

In order to provide new impetus to the involvement of employers in EURES, EURESco decided to re-launch a EURES ad-hoc working group on Employers' Services in the last quarter of 2005. The mandate of the group is to contribute to the further development of employer-oriented services within EURES and to foster mutual co-operation between EURES and employers with a view to achieving higher levels of labour mobility in the EU/EEA.

3.6. Guideline 6: Contribute to identifying labour shortages and bottlenecks which can be attenuated by transnational labour mobility, develop and co-ordinate corrective action

Most PES have set up mechanisms to collect information on trends in the labour market in order to help identify and anticipate surpluses, shortages and bottlenecks. With a view to using European labour mobility as an instrument to counteract imbalances in the labour markets, the EURES members co-operate with each other through bilateral recruitment projects. A large number of bilateral recruitment projects between EURES members were carried out in 2004-2005, including, since 1 May 2004, between new and old Member States.

As stated in the Commission's report on the transitional arrangements⁵ of February 2006, labour mobility from the EU-10 countries has in general had positive effects on the labour markets of the old Member States that had opened up their labour markets, by relieving labour shortages in certain areas. The bilateral recruitment projects financed through EURES are carried out on the basis of labour market needs and in this context, it can be stated that they have contributed to redressing labour market imbalances.

3.7. Guideline 7: In the context of enlargement, provide easily accessible and up-to-date information on the rights of workers to free movement during the transitional periods applicable to the new Member States

EURES contributed actively to the provision of information in the context of the 2004 enlargement. A new section on the rights of workers to free movement during the transitional arrangements was created on the EURES Job Mobility Portal. In addition to general information on rights to free movement, the section contains country-specific information on

⁵ COM(2006) 48

a number of specific issues, such as access conditions, work permits, access to information and recruitment procedures. The section is structured as a practical guide for jobseekers and employers moving or recruiting from country to country and the information is provided to EURESco by the PES and/or relevant ministries. The free movement section is unique in its kind and a much visited part of the EURES portal. Information on the transitional arrangements is also frequently communicated to the public by EURES advisers through client counselling.

3.8. Guideline 8: Support strongly the development of cross-border labour markets

EURES plays an important role in cross-border regions where EURES advisers give information and advice to cross-border workers and employers wishing to recruit from the other side of the border. The highest concentration of cross-border commuting flows can be found in a relatively small part of the EEA, notably between different regions in Belgium, Luxembourg, the Netherlands, Germany, France and also Switzerland with which an official cooperation within the EURES network has been in operation since 2002. Available statistics and estimates on commuting flows show that there is a gradual increase of flows between new and old Member States but also between new Member States. EURES supports about 20 officially recognised cross-border partnerships as well as various other forms of cross-border activities that may prepare the ground for future partnerships. An essential feature of EURES is the active participation of social partners in the network, particularly as regards its cross-border activities. As of 1 April 2004, the operational grant management of the cross-border partnerships has been transferred to the PES.

In 2005 a number of new cross-border activities were financed in the cross-border regions between Germany/Czech Republic, Germany/Poland, Finland/Estonia, and Slovakia/Czech Republic/Poland.

The EURES charter defines four basic tasks for cross-border partnerships, namely : exchange of information and advice on vacancies and job applications as well as on living and working conditions; direct and regular contacts between EURES advisers in the region; the drafting and updating of inventories of vocational training opportunities in the region; and the development of projects aimed at improving the labour market in the region, including through co-operation with other relevant programmes.

In 2004-2005 the partnerships provided a large number of information products such as leaflets, booklets, specific information material for ethnic minorities, senior workers, students and graduates, newsletters, websites, press packages, advertisements in newspapers, CD ROMs, broadcasting in TV and radio, etc (all partnerships have their own website which is often the major dissemination tool for their information products). Exchanges of information between EURES advisers have increasingly become one of the established working routines in the partnerships. The publication of job guides has been developed, together with the creation of cross-border networks of training providers, training experts, and human resource specialists. Finally, the partnerships have prompted up the production of reports on mobility obstacles. In order to gather in a systematic way relevant labour market data within the cross-border region and improve transparency on the market some partnerships created their own labour market monitoring systems. Co-operations with other relevant EU programmes, in particular with INTERREG, are carried out by a number of partnerships. This concerns mainly activities like job guides or the inventory of professional/vocational training opportunities.

3.9. Guideline 9: Ensure the evaluation of the results achieved by EURES and the regular monitoring of EURES operations

The EURES activities and results are monitored and evaluated on a regular basis, both at national level and at EU level. The day-to-day monitoring is carried out by the EURES manager in each PES and the co-ordinator of each cross-border partnership. The members and partners report once a year to EURESCO on progress made with the implementation of their tri-annual activity plan and the execution of their annual activities funded by the Commission. EURESCO also ensures that the functioning and results of EURES is subject of an independent evaluation which is carried out once every third year by an external party, selected on the basis of a call for tender.

In addition to the different types of reporting from the members and partners to EURESCO, each EURES adviser also reports directly and on a monthly basis on contacts with the public. Although the interpretation of these figures requires substantial precaution, they show a growing volume of inquiries treated by the network. According to the monthly reports from 2004, the total number of individual contacts of EURES advisers with the public throughout the year amounted to 812.271. In 2005, the figure grew to 1.064 867, i.e. an average of 88.739 contacts per month. The number of individuals reached through group contacts grew, for its part, from 144.615 in 2004 to 211.724 in 2005, an increase of almost 50%. Approximately 7-15% of the daily contacts are with employers and the remaining large part (85-93%) is devoted to jobseekers/workers.

With regard to the topics raised during the contacts, the statistics for the EURES advisers working in PES for the last six months of 2005 show the following distribution:⁶

General information on EURES	Job-search	Recruitment	Social security and taxation	Education and training	Living and working conditions	Other general information and advice
16,9 %	47,1 %	17,7 %	4,7 %	1,8 %	7,2 %	4,7 %

For the EURES advisers working in cross-border partnerships the distribution of topics raised is somewhat different, with a stronger focus on social security and taxation, underlining the important role the cross-border partnerships play in providing information to cross-border workers:

General information on EURES	Job-search	Recruitment	Social security and taxation	Education and training	Living and working conditions	Other general information and advice
13,3 %	26,7 %	6,3 %	31,5 %	3,5 %	12,5 %	6,2 %

⁶ Before July 2005, the EURES adviser did not report in such detail on the topics raised during the contacts.

3.10. Guideline 10: Provide appropriate information and communication about EURES to the public, to the social partners and other relevant actors

As provided for in section 2.5 of the EURES Charter, the Commission, together with the other EURES members and partners, has engaged in an overall communication strategy, designed to ensure the consistency and cohesion of the network vis-à-vis its users. EURES members shall in accordance with this overall strategy develop their own promotion plans as part of their national EURES activity plan. The work on developing such an overall information strategy for EURES was started in February 2005 in close co-operation with the EURES network.

The communication strategy and plan will help increase awareness of EURES among its target audiences, in the light of the lessons of the 2006 European Year of Workers' Mobility, and improve chances that jobseekers and employers who contact the Public Employment services are well informed of the possibilities offered by EURES. It provides a framework of ideas and a set of common tools to be used directly by the members of the network at national, regional and local level.

4. FUNDING

The EURES budget available for both years was € 17m. In 2004 and 2005, a ceiling of €450.000 and of €500.000 respectively was set for expenditure on technical assistance and administration. In addition to these amounts, EURES was allocated a contribution from EFTA (€378.773 in 2004 and €362.250 in 2005) under the terms of the agreement of the European Economic Area (participation of Norway and Iceland). Actual commitments and distribution of funds between the main expenditure categories for the two years are shown in the table below.

Budget commitments 2004 – 2005

	2004	2005
Cross-border partnerships ⁷	6.041.161	6.010.614
EURES national	7.076.048	7.209.086
Diverse activities	3.543.512	3.438.288
Total	16.660.721	16.657.988

The specific EU budget devoted to EURES is supplemented by substantial expenditure by the PES (especially for the wages of EURES advisers) in order to sustain and develop the network.

⁷ A substantial part of cross-border activities which prepare the ground for future cross-border partnerships are financed through the national EURES plans.

5. CHALLENGES AHEAD AND OUTLOOK

The successful integration into the EU labour market of the countries that have joined the EU in 2004 still represents a challenge, due to the fact that the transitional measures affecting the free movement of workers are still in place in some countries after 1 May 2006. The network will pursue the efforts undertaken since 2004 in order to duly inform employers and jobseekers about the effects of transitional measures on the free movement of workers within the EU. Likewise, the integration of Romania and Bulgaria in the EURES network represents another important challenge for the future. EURES managers for these two countries were appointed in 2005 and have attended the EURES Working Party as observers as from September of that year. Staff members from the Romanian and Bulgarian PES were also included in the EURES training for new EURES advisers in the spring of 2006 with a view to enabling them to act as multipliers for EURES and international mobility issues within the PES in the period leading up to accession. With the arrival of these new Member States more attention needs to be given within the network to ensure that international labour mobility takes place under full respect of applicable labour standards. Other major policy objectives will be to give more attention in the future to the overall services provided by the PES in order to improve labour market conditions in Europe and contribute to achieving the objectives of the European Employment Strategy; to explore the possibilities to use the EURES portal and network as a tool to support legal migration in the EU, as foreseen by the Policy Plan on Legal Migration of December 2005⁸; and to contribute to the implementation of the European Qualifications Framework, which should be adopted in the second half of 2007.

The organisation of the European Year of Workers Mobility in 2006 represented in this respect an excellent opportunity to draw the public's attention to the role and objectives of the EURES network and to increase its visibility among the various groups of stakeholders. To this end, a comprehensive information and communication strategy was launched in 2006, covering a wide range of information and promotion activities.

⁸ COM(2005)669 final.

Annex 1 to the EURES Activity Report 2004-2005

Statistics on the use of the European Job Mobility Portal

Table 1: Number of visits at the EURES Job Portal per month Sept. 2004 – Mar. 2006

Month	Number of visitors
Sept. 2004	554156
Oct. 2004	539584
Nov. 2004	530349
Dec. 2004	373991
Jan. 2005	541790
Feb. 2005	515886
Mar. 2005	559829
Apr. 2005	526491
May 2005	585520
Jun.2005	495556
Jul. 2005	435349
Aug. 2005	453778
Sept. 2005	516042
Oct. 2005	517542
Nov. 2005	520468
Dec. 2005	426389
Jan. 2006	651386
Feb. 2006	890504
Mar. 2006	906351

Graph 1: Number of visits at the EURES Job Portal per month Sept. 2004 – Mar. 2006

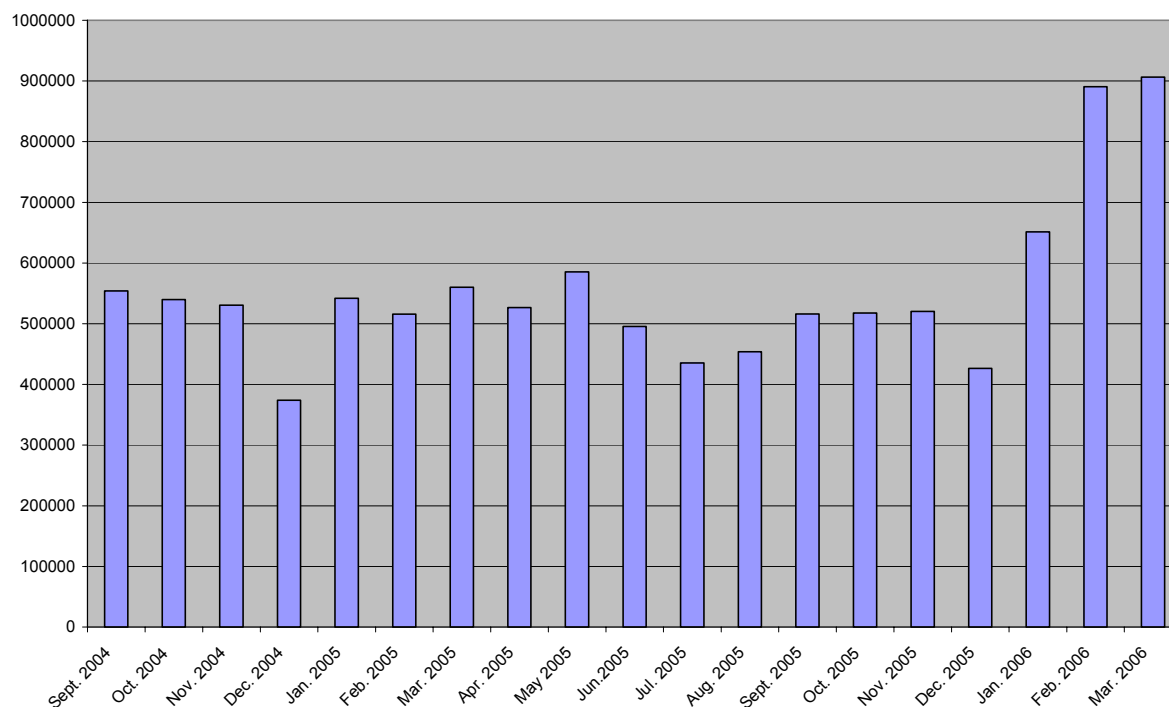


Table 2: Number of job vacancies on the EURES Job Portal Feb. 2005 – Apr. 2006

Country	16.02.2005	14.06.2005	15.02.2006	26.04.2006
Austria		16504	29 317	31 199
Belgium	20 000	22 586	26 565	31 176
Cyprus	322	728	7465	9602
Czech Rep.	17 124	15 997	20 634	50 503
Denmark	5624	7615	7979	15 448
Estonia	2597	144	546	583
Finland			78	31 253
France			1138	71 521
Germany		144 797	207 263	241 068
Greece	7731	7473	10 705	11 885
Hungary	1576	1932	5100	8916
Iceland			1049	1245
Ireland	4455	6987	9840	9556
Italy			2108	4538
Latvia			742	750
Liechtenstein			45	70
Lithuania	1606	1758	3658	6080
Luxembourg			117	279
Malta	135	164	530	566
Netherlands			30 912	37 875
Norway		6247	9813	11 428
Poland	4277	4653	4245	7142
Portugal			251	478
Slovenia	1103	1112	2355	2504
Slovakia	1840	3645	8301	9359
Spain			1979	1703
Sweden	7247	8389	11 930	12 981
Switzerland			6232	7770
United Kingdom			345 549	338 008
TOTAL	75 637	250 731	756 446	955 486