

Anna BARWIŃSKA-MAŁAJOWICZ
University of Rzeszów (Poland)

**ACHIEVEMENTS AND FUTURE PERSPECTIVES
OF EUROPEAN EMPLOYMENT
AND SOCIAL POLICY
IN THE CONTEXT OF THE EUROPEAN UNION'S
SUSTAINABLE GROWTH
AND EMPLOYMENT STRATEGY**

Sustainable growth means such a growth which fulfills the needs of the current generation without any negative influence on the ability of future generations to fulfill their needs.

[World Economic Growth and Environmental Protection Committee (Brundtland's Committee), 1987]

1. The Lisbon Strategy in the context of a strategy for sustainable development

In June 2001, the Council of the European Union approved the Strategy for Sustainable Development during their meeting in Göteborg. This document had been presented one month before – on May 15th, 2001 – by the EU Commission (*A Sustainable Europe for a Better World: a European Union Strategy for Sustainable Development*). This strategy was a comprehensive supplement to the Lisbon Strategy and contained many propositions regarding the possibilities of assuring the prosperity of European citizens, the problems of climate change, poverty and many different types of threats to health. It should be noted that the most common interpretation of sustainable development is a vision of progress that combines economic development, environmental protection and public justice and also encourages people to improve their standard of living.

In the UE General Report for 2005,¹ the European Commission presented a review of the Strategy for Sustainable Development mentioned above, investigating the progress that had already been made and proposing future directions. Based on this review, another document containing modifications to the original strategy has been prepared. Within the framework of these modifications, some key directions have been described, in which intensive actions will be taken over the next few years (climate change, searching for and using new sources of energy, public health, making use of natural resources, sustainable public transport, challenge of development and migration).

Regarding Sustainable Development in the EU, the most significant goals of the Lisbon Strategy² are to increase the competitiveness of the EU and accelerate economic growth (especially compared to the United States). The adoption of these goals results from the necessity of reforming the economic and social system in Europe. In the 1990s various „illnesses” became noticeable, especially compared to the US [slower growth rate, lower capacity of finding and adapting new technologies, inability of meeting competition (the globalization effect) and the requirement of switching to a knowledge-based economy]. In the last 20 years the EU has had on average 2% growth annually, while the United States has had 3.3%. The Lisbon Strategy was created against such a background of challenges, based on the goals that the EU will become the most competitive and dynamic, knowledge-based economy, which could offer more and better jobs, improved social cohesion and able to follow the path of sustainable development [Communication..., 2005, 3–4]. Problems linked to the employment rate and changes in the social pattern take a very significant place in that Strategy: increasing productivity, developing an elastic job market, better education, a more modern social security system, or last but not least decreasing the level of social exclusion and the number of people in poverty.³

¹ The General Report on the Activities of the European Union is published by the European Commission once a year based on Article 212 of the European Community Treaty and Article 125 of the European Coal and Steel Community Treaty.

² In March 2000 during the Lisbon Meeting, the prime ministers of the EU countries agreed to a new strategic aim – to achieve by 2010 the position of the most competitive world economy.

³ To achieve other aims of Lisbon Strategy, the following control steps have been implemented: „switch to a knowledge-based economy (development of an informed community, development of research and innovations and the appropriate skills, education); integration of non-European Community markets and sectors (telecommunications, energy, transport, financial services and others), the development of enterprise (eliminating administrative and legislative barriers, better access to capital and technology, to restrict public aid that disturbs market competition, to create a level playing field for competition) and to pay at-

In the statement of the Higher Level Commission, which was headed by Wim Kok (November 2004), the necessity for the immediate modification of European economic and social policy was put forward. The main reason for such a modification was the increasing and overwhelming challenge of development, because based on the words of Kok: „*Today, when the differences in the development of the US and Asia has become deeper and Europe must fight with the combined problem of low birth rate and aging population, the Lisbon Strategy is more urgently needed. Time is running out and self-admiration is really not an option. In order to recover the time we have lost, we need a better method of implementation*” [Communication..., 2005]. Facing such a challenge, Europe must increase its productivity and should take all the steps necessary to increase the labour participation (employment) rate.

2. Mobility of manpower as a motor for transforming the European economy

The reformed Lisbon Strategy focuses on economic development and increasing employment, it sets out the following directions:

- Europe should be a much more attractive place for investing and working in;
- knowledge and innovation should be “the pumping heart” of European economic development;
- European Union policy shall be shaped in a way that allows entrepreneurs to create more and better jobs [Communication..., 2005].

Economic development and increasing employment seem to be equal to promotion of goals related to society and environmental protection as major goals of the EU. Both the Lisbon Strategy and the Strategy of Sustainable Development are indispensable elements on the way to achieving the basic goal of the EU, which is sustainable development. These goals contain, among others, increasing prosperity and balanced and sustainable improvement in the life style of the present and future generations. The actions planned within the framework of these two strategies consolidate and complement one another, but it should be pointed out that they use different tools and give results at different rates.

In the context of the aspiration to make Europe a more attractive place to invest and to work in, the free movement of workers, one of the

tention to the goals of development and the environment, to fight against climate change and to protect natural resources” [Szomburg, 2005].

basic freedoms that is a basis for unifying the European market, gains a special meaning.⁴ This is inseparably connected to increasing the level of manpower mobility and commercial migration. The essence of these new strategies is to aim at better use of EU labour potential, knowledge and capital. Among these, labour is underutilized and unemployment and a lack of well-qualified workers in some fields are among Europe's biggest problems.

These difficulties appear in different EU regions and they have different levels of intensity. For this reason the European Commission declared 2006 to be European Year of Worker Mobility⁵ and it implemented an initiative to spread knowledge regarding geographical and labour mobility and the possibility of assisting such mobility. The European Year of Worker Mobility is to promote and explain the bright sides of working abroad and/or choosing a new job. The year will highlight that in an environment of never-ending changing market demands, a change of work or workplace can give an employee a huge chance of self-development, greater satisfaction and better employment possibilities.⁶ Thanks to turnover in the employment market, employees can gain more experience and skills, which leads in a natural way to a higher position at work.

Based on the rules of the 2003 Access Treaty regarding free movement of workers, there are still some restrictions in relation to most of the new member states for a so-called transition period, which will finally end on April 30th, 2011. These restrictions were introduced mainly because of a fear from the side of „old” members (EU-15) that there was a possibility of excessive manpower flow from EU-8 countries,⁷ but also because of their strong need to prepare their own markets for opening to new EU citizens.

⁴ Free movement of workers was divided as follows: free flow of workers, free flow of self-employed business activity and free flow of non-workers *e.g.* pensioners and students. It states the rights of EU citizens to switch their place of residence to another EU country, together with the right to work and settle with their family. It is prohibited to discriminate against worker-immigrants and their families (in any direct or non-direct way). Employees and their families have a right to fair and equal treatment, not only in the case of job related matters but also in matters of public housing, taxes and social privileges [see Communication..., 2006].

⁵ In February 2006 the President of European Commission, José Manuel Barroso, the Employment and Social Affairs Commissioner, Vladimír Špidla, and the Minister of Economic Affairs, Martin Bartenstein, announced the European Year of Worker Mobility in Brussels.

⁶ One significant aim of the EC initiative was also to stress the necessity of some changes in legal and administrative fields and to focus attention on social and cultural barriers that can make the process of job finding difficult.

⁷ EU-10 without Malta and Cyprus; temporary arrangements applying to: Poland, Lithuania, Latvia, Estonia, Slovakia, the Czech Republic, Hungary and Slovenia, but not to Malta and Cyprus

Meanwhile some limits appeared concerning only access to the labour market and restricted the possibility of employment in specific countries.⁸ Based on the fact that since the start of the second transition period on 1st of May, 2006,⁹ all the countries that still have restrictions on access to the work market are obliged to inform the European Commission by 30th of April, 2006 about their plans for the second phase (regarding keeping or rescinding their restrictions on manpower mobility).

The study of the European Commission (February 8th, 2006) regarding free movement of workers since the EU enlargement of May 1st 2004¹⁰, allows us to advance the thesis that migration of manpower from new member states (Central and Eastern Europe) has resulted in fulfilling the needs of the European labour market and better economic achievements in Europe. So, as a result, it has had a positive influence on the European Labour Market. What is more important – this statement gives weight to the fact that opening labour markets to citizens of Eastern European countries can lead to even faster growth. In this statement almost all the EU-8 countries call for a lift on the current restrictions referring to the principle of citizens' freedom – as employees – to unrestricted flow within the EU-25. They also mention statistics showing that their citizens have not flooded the EU-15 markets and have not lead to higher social welfare costs. Moreover, representatives of EU-8 call attention to the positive influence of their manpower in solving the problem of a lack of manpower in EU-15 due to an aging population [see Communication..., 2006].

Based on these statistics, it can be said that manpower flow within the EU has had a relatively narrow range and most countries expected a larger number of workers from Central and Eastern Europe. The countries

⁸ According to the framework that is a basis for temporary arrangements, the Access Treaty states that for the first two years, the EU-15 countries can use domestic measures or bilateral agreements to regulate the access of EU-8 citizens to the labour market. The different characters of these measures lead to many different regulations on access to the labour market, but the most important of them were presented in Communication... [2006].

⁹ The Access Treaty states that achieving full manpower flow between EU-10 and EU-15 will be divided into three stages: Stage I: from 2004 to 2006 – access of citizens of the EU-8 countries to the labour market is only regulated by domestic legislation (countries can keep the regulations which applied before May 1st 2004 or they can liberalize them). Stage II: from 2006 to 2009 – every „old” member can decide whether they will keep their domestic regulations or use the rules of free movement of workers. Stage III: from 2009 to 2011 – only serious disturbances or threats of disturbance can restrict the free movement of workers.

¹⁰ This is a report concerning the temporary arrangements described in the Access Treaty (concerning the period from May 1st 2004 to April 30th 2006 [see Communication..., 2006, 3]).

that had decided to rescind any restrictions in the first phase have affirmed that the flow of manpower has not damaged their labour markets. On the contrary, as mentioned before, it has stimulated economic growth and filled gaps in some fields, especially in the construction industry.

The statistics on manpower flow before and after EU expansion are expressed in the three following contexts:

1. Manpower mobility in the expanded European Union;
2. Effects on the labour markets for countries and citizens of the EU: employment rates;
3. Composition of manpower from EU-10 in EU-15 classified according to field and skills: supplement or replacement?

All the arguments presented above seem to be very significant in the context of counteracting threats to the sustainable development of Europe, which were defined in the 3rd and 4th of a group of European Commission Reports entitled *A Sustainable Europe for a Better World: a European Union Strategy for Sustainable Development*.¹¹

The EU's goal of sustainable development is based on establishing a positive, long-term vision of a society, which is wealthier and fairer, lives in a cleaner, safer and healthier environment and is characterized by a better standard of living. Achieving such a goal will be possible when economic growth supports social growth and respects environmental protection and social policy is based on economic outcomes [see Communication, 2001, 3–4].

Having this in mind, it should be added that the most important goals are the basic goals of EU policy, in particular the European Employment Strategy. This has priority, due to the increasing problem of unemployment.¹² The main goal of the European Employment Strategy is to combine economic growth with the creation of new jobs, define various

¹¹ Third group of threats: every sixth European is in poverty. Poverty and being pushed into the dregs of society have a big influence on individuals, such as health breakdowns, suicides and permanent unemployment. Single mothers and older women living on their own suffer the most from poverty. Poverty can be passed on from one generation to the next. Fourth group of threats: while a longer expected lifespan is a good symptom, when associated with a lower birth rate it leads to the problem of an aging population, resulting in decreased economic growth and having a negative influence on superannuation and the public health system. The expenditure of many EU countries could rise by 8% GDP between 2000 and 2040 [Communication, 2001, 3–4].

¹² The European Union Employment Policy was a result of the Treaty of Amsterdam and EU Summit in Luxembourg. This policy is based on four pillars: 1) increasing employment; 2) enterprise; 3) developing the skills of employers and employees; 4) equal opportunities. Directives of the EU Employment Policy approved by the Council of the European Union (2003/578/EC) indicate three main goals: full employment, improving quality and productivity at work and strengthening social and territorial cohesion [See the European

international agreements to decrease the unemployment rate and fight against poverty and „social exclusion”.¹³

3. European and world labour markets – a comparative analysis¹⁴

When presenting a concise comparative analysis describing labour markets in selected countries, an analysis comparing European and world-wide labour markets seems to be very significant. While it is true that in the last decade the average unemployment rate in the EU-15 decreased from 10.1% in 1995 to 7.9% in 2005¹⁵ (the example of Spain is very remarkable, the unemployment rate fell from 19.8% in 1994 to 9.2% in 2005). However, compared to the United States (the unemployment rate was 5.1% in 2005), the average unemployment rate in the EU is still at a higher level (see Table 1).

One of the long-term goals of the Lisbon Strategy, orientated towards sustainable economic-social growth, was to increase (by the year 2010) the proportion of the population which is economically active to 70%. Such a declaration seems to be rather hard to achieve now. Admittedly, since 1999 within EU-15 over six million jobs have been created and this employment rate increased from 62.5% in 1999 to 64.7% in 2004 (within EU-25 this proportion was 63.3% in 2004). However, compared to the US, where the employment rate was 71.2% in 2004 (what is more, it should be mentioned that since 1993 this proportion has always been above 70% in the US), Europe remains a long way behind (see Table 2).

Analysis of Fig. 1 shows that the employment rate in the European Union (both before and after its enlargement) is significantly lower than the average employment rate not only in the US, but also in other European countries which do not belong to the EU, such as Iceland or Norway.

In the European Union, on average people work less hours (for example, 1500 hours per year in Germany, whereas in the US – 2100 hours and Korea – 2500 hours) and retire earlier (the retirement age in the EU is 60 years, whereas in the US – 63 years). Also, regarding productivity, Europe

Employment Strategy, www.europa.delpol.pl; last update: Sept 30th 2005 and DzU WE #L 197/13 Aug 5th 2003].

¹³ *EU and Polish Employment policy*, webpage: portal.wsiz.rzeszow.pl (last update Mar 26th 2006).

¹⁴ Source of statistical data: Eurostat.

¹⁵ It should be stated that at the time the enlargement of the EU took place, several of the 10 new member states had very high unemployment rates (see Tab. 1).

Table 1. Total unemployment rate % (1994–2005)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU (25 countries)	:	:	:	:	9.4	9.1	8.6	8.4	8.8	9.0	9.1	8.7
EU (15 countries)	10.5	10.1	10.2	9.9	9.3	8.6	7.7	7.3	7.6	8.0	8.1	7.9
Euro-zone	10.8	10.5	10.7	10.6	10.0	9.1	8.1	7.9	8.3	8.7	8.9	8.6
Belgium	9.8	9.7	9.5	9.2	9.3	8.5	6.9	6.6	7.5	8.2	8.4	8.4
The Czech Republic	:	:	:	:	6.4	8.6	8.7	8.0	7.3	7.8	8.3	7.9
Denmark	7.7	6.7	6.3	5.2	4.9	5.2	4.3	4.5	4.6	5.4	5.5	4.9
Germany	8.3	8.0	8.5	9.1	8.8	7.9	7.2	7.4	8.2	9.0	9.5	9.5
Estonia	:	:	:	9.6	9.2	11.3	12.8	12.4	10.3	10.0	9.7	7.8
Greece	8.9	9.2	9.6	9.8	10.9	12.0	11.3	10.8	10.3	9.7	10.5	10.0 ^a
Spain	19.8	18.8	18.2	17.1	15.3	12.9	11.4	10.8	11.5	11.5	11.0	9.2
France	11.7	11.1	11.6	11.5	11.1	10.5	9.1	8.4	8.9	9.5	9.6	9.5
Ireland	14.3	12.3	11.7	9.9	7.5	5.7	4.3	4.0	4.5	4.7	4.5	4.3
Italy	10.6	11.2	11.2	11.3	11.3	10.9	10.1	9.1	8.6	8.4	8.0	7.6 ^a
Cyprus	:	:	:	:	:	:	4.8	3.9	3.6	4.1	4.7	5.3
Latvia	:	:	:	:	14.3	14.0	13.7	12.9	12.2	10.5	10.4	9.0
Lithuania	:	:	:	:	13.2	13.7	16.4	16.5	13.5	12.4	11.4	8.2
Luxembourg	3.2	2.9	2.9	2.7	2.7	2.4	2.3	2.1	2.8	3.7	4.8	5.3
Hungary	:	:	9.6	9.0	8.4	7.0	6.4	5.7	5.8	5.9	6.1	7.1
Malta	:	:	:	:	:	:	6.7	7.6	7.5	7.6	7.3	7.2
Netherlands	6.8	6.6	6.0	4.9	3.8	3.2	2.8	2.2	2.8	3.7	4.6	4.7
Austria	3.8	3.9	4.3	4.4	4.5	3.9	3.6	3.6	4.2	4.3	4.8	5.2
Poland	:	:	:	10.9	10.2	13.4	16.1	18.2	19.9	19.6	19.0	17.7

Portugal	6.9	7.3	7.3	6.8	5.1	4.5	4.0	4.0	5.0	6.3	6.7	7.6
Slovenia	:	:	6.9	6.9	7.4	7.3	6.7	6.2	6.3	6.7	6.3	6.3
Slovakia	:	:	:	:	12.6	16.4	18.8	19.3	18.7	17.6	18.2	16.4
Finland	16.6	15.4	14.6	12.7	11.4	10.2	9.8	9.1	9.1	9.0	8.8	8.4
Sweden	9.4	8.8	9.6	9.9	8.2	6.7	5.6	4.9	4.9	5.6	6.3	6.3 ^a
United Kingdom	9.3	8.5	7.9	6.8	6.1	5.9	5.4	5.0	5.1	4.9	4.7	4.7
Bulgaria	:	:	:	:	:	:	16.4	19.5	18.1	13.7	12.0	9.9
Croatia	:	:	:	:	:	:	:	:	14.7	14.1	13.6	:
Romania	:	:	:	5.3	5.4	6.2	6.8	6.6	7.5	6.8	7.6	7.7
Turkey	:	:	:	:	:	:	6.5	8.3	10.3	10.5	10.3	10.3 ^a
Iceland	:	:	:	:	:	:	:	:	:	:	:	:
Norway	5.4 ^b	4.9 ^b	4.7	4.0	3.2	3.2	3.4	3.6	3.9	4.5	4.4	4.6
United States	6.1	5.6	5.4	4.9	4.5	4.2	4.0	4.8	5.8	6.0	5.5	5.1
Japan	2.9	3.1	3.4	3.4	4.1	4.7	4.7	5.0	5.4	5.3	4.7	4.4

Table 1. contd.

: Not available; ^a Estimated rate; ^b Break in series.

Source: Eurostat.

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
--	------	------	------	------	------	------	------	------	------	------	------	------

Table 3. Employment rate in the manufacturing sector (1992-2004)

Table 2. Employment rate in selected countries % (1993–2004)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
EU (25 countries)	:	:	:	:	60.6	61.2	61.9	62.4	62.8	62.8	62.9	63.3
EU (15 countries)	60.1	59.8	60.1	60.3	60.7	61.4	62.5	63.4	64.0	64.2	64.3	64.7
Euro-zone	58.3	57.9	58.1	58.2	58.6	59.3	60.6	61.7	62.2	62.4	62.6	63.0
Belgium	55.8	55.7	56.1	56.2	56.8	57.4	59.3	60.5	59.9	59.9	59.6	60.3
Czech Republic	:	:	:	:	:	67.3	65.6	65.0	65.0	65.4	64.7	64.2
Denmark	72.1	72.3	73.4	73.8	74.9	75.1	76.0	76.3	76.2	75.9	75.1	75.7
Germany	65.1	64.7	64.6	64.1	63.7	63.9	65.2	65.6	65.8	65.4	65.0	65.0
Estonia	:	:	:	:	:	64.6	61.5	60.4	61.0	62.0	62.9	63.0
Greece	53.7	54.2	54.7	55.0	55.1	56.0	55.9	56.5	56.3	57.5	58.7	59.4
Spain	46.6	46.1	46.9	47.9	49.5	51.3	53.8	56.3	57.8	58.5	59.8	61.1
France	59.3	59.1	59.5	59.5	59.6	60.2	60.9	62.1	62.8	63.0	63.3	63.1
Ireland	51.7	53.0	54.4	55.4	57.6	60.6	63.3	65.2	65.8	65.5	65.5	66.3
Italy	52.3	51.4	51.0	51.2	51.3	51.9	52.7	53.7	54.8	55.5	56.1	57.6 ^b
Cyprus	:	:	:	:	:	:	:	65.7	67.8	68.6	69.2	68.9
Latvia	:	:	:	:	:	59.9	58.8	57.5	58.6	60.4	61.8	62.3
Lithuania	:	:	:	:	:	62.3	61.7	59.1	57.5	59.9	61.1	61.2
Luxembourg	60.8	59.9	58.7	59.2	59.9	60.5	61.7	62.7	63.1	63.4	62.7	61.6
Hungary	:	:	:	52.1	52.4	53.7	55.6	56.3	56.2	56.2	57.0	56.8
Malta	:	:	:	:	:	:	:	54.2	54.3	54.4	54.2	54.0
Netherlands	63.6	64.0	64.7	66.3	68.5	70.2	71.7	72.9	74.1	74.4	73.6	73.1
Austria	:	68.5	68.8	67.8	67.8	67.9	68.6	68.5	68.5	68.7	68.9	67.8 ^b
Poland	:	:	:	:	58.9	59.0	57.6	55.0	53.4	51.5	51.2	51.7

Table 2. contd.

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Portugal	65.1	64.1	63.7	64.1	65.7	66.8 ^b	67.4	68.4	69.0	68.8	68.1	67.8
Slovenia	:	:	:	61.6	62.6	62.9	62.2	62.8	63.8	63.4	62.6	65.3
Slovakia	:	:	:	:	:	60.6	58.1	56.8	56.8	56.8	57.7	57.0
Finland	61.0	60.3	61.6	62.4	63.3	64.6	66.4	67.2	68.1	68.1	67.7	67.6
Sweden	71.3	70.2	70.9	70.3	69.5	70.3	71.7	73.0	74.0	73.6	72.9	72.1
United Kingdom	67.4	67.9	68.5	69.0	69.9	70.5	71.0	71.2 ^b	71.4	71.3	71.5	71.6
Bulgaria	:	:	:	:	:	:	:	50.4	49.7	50.6	52.5	54.2
Croatia	:	:	:	:	:	:	:	:	:	53.4	53.4	54.7
Romania	:	:	:	:	65.4	64.2	63.2	63.0	62.4	57.6	57.6	57.7
Turkey	:	:	:	:	:	:	:	48.8	47.8	46.9	45.8	46.1
Iceland	:	:	:	:	:	:	:	:	:	:	83.3	82.3
Norway	:	:	:	:	:	:	:	77.5	77.2	76.8	75.5	75.1
United States	71.2	72.0	72.5	72.9	73.5	73.8	73.9	74.1	73.1	71.9	71.2	71.2
Japan	69.5	69.3	69.2	69.5	70.0	69.5	68.9	68.9	68.8	68.2	68.4	68.7

: Not available; ^b Break in series.

Source: Eurostat.

Table 3. Female employment rate in selected countries: % (1993–2004)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
EU (25 countries)	:	:	:	:	51.1	51.8	52.9	53.6	54.3	54.7	55.0	55.7
EU (15 countries)	49.2	49.3	49.7	50.2	50.8	51.6	53.0	54.1	55.0	55.6	56.0	56.8
Euro-zone	46.5	46.5	46.9	47.4	48.0	48.9	50.4	51.7	52.4	53.1	53.6	54.5
Belgium	44.5	44.6	45.0	45.4	46.5	47.6	50.4	51.5	51.0	51.4	51.8	52.6
Czech Republic	:	:	:	:	:	58.7	57.4	56.9	56.9	57.0	56.3	56.0
Denmark	68.2	66.9	66.7	67.4	69.1	70.2	71.1	71.6	72.0	71.7	70.5	71.6
Germany	55.1	55.1	55.3	55.3	55.3	55.8	57.4	58.1	58.7	58.9	58.9	59.2
Estonia	:	:	:	:	:	60.3	57.8	56.9	57.4	57.9	59.0	60.0
Greece	36.6	37.3	38.1	38.7	39.3	40.5	41.0	41.7	41.5	42.9	44.3	45.2
Spain	30.7	30.7	31.7	33.1	34.6	35.8	38.5	41.3	43.1	44.4	46.3	48.3
France	51.5	51.6	52.1	52.2	52.4	53.1	54.0	55.2	56.0	56.7	57.3	57.4
Ireland	38.5	40.1	41.6	43.2	45.9	49.0	52.0	53.9	54.9	55.4	55.7	56.5
Italy	35.8	35.4	35.4	36.0	36.4	37.3	38.3	39.6	41.1	42.0	42.7	45.2 ^b
Cyprus	:	:	:	:	:	:	:	53.5	57.2	59.1	60.4	58.7
Latvia	:	:	:	:	:	55.1	53.9	53.8	55.7	56.8	57.9	58.5
Lithuania	:	:	:	:	:	58.6	59.4	57.7	56.2	57.2	58.4	57.8
Luxembourg	44.8	44.4	42.6	43.8	45.3	46.2	48.6	50.1	50.9	51.6	52.0	50.6
Hungary	:	:	:	45.2	45.4	47.2	49.0	49.7	49.8	49.8	50.9	50.7
Malta	:	:	:	:	:	:	:	33.1	32.1	33.9	33.6	32.7
Netherlands	52.2	53.2	53.8	55.8	58.0	60.1	62.3	63.5	65.2	66.2	66.0	65.8
Austria	:	58.9	59.0	58.4	58.6	58.8	59.6	59.6	60.7	61.3	61.6	60.7 ^b
Poland	:	:	:	:	51.3	51.7	51.2	48.9	47.7	46.2	46.0	46.2

Table 3. contd.

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Portugal	55.0	54.4	54.4	54.9	56.5	58.2 ^b	59.4	60.5	61.3	61.4	61.4	61.7
Slovenia	:	:	:	57.1	58.0	58.6	57.7	58.4	58.8	58.6	57.6	60.5
Slovakia	:	:	:	:	:	53.5	52.1	51.5	51.8	51.4	52.2	50.9
Finland	59.5	58.7	59.0	59.4	60.3	61.2	63.4	64.2	65.4	66.2	65.7	65.6
Sweden	69.7	68.5	68.8	68.1	67.2	67.9	69.4	70.9	72.3	72.2	71.5	70.5
United Kingdom	60.8	61.2	61.7	62.5	63.1	63.6	64.2	64.7 ^b	65.0	65.2	65.3	65.6
Bulgaria	:	:	:	:	:	:	:	46.3	46.8	47.5	49.0	50.6
Croatia	:	:	:	:	:	:	:	:	:	46.7	46.7	47.8
Romania	:	:	:	:	59.1	58.2	57.5	57.5	57.1	51.8	51.5	52.1
Turkey	:	:	:	:	:	:	:	25.8	26.3	27.0	25.7	24.3
Iceland	:	:	:	:	:	:	:	:	:	:	80.1	78.8
Norway	:	:	:	:	:	:	:	73.6	73.6	73.7	72.6	72.2
United States	64.0	65.2	65.8	66.3	67.1	67.4	67.6	67.8	67.1	66.1	65.7	65.4
Japan	56.6	56.5	56.4	56.8	57.6	57.2	56.7	56.7	57.0	56.5	56.8	57.4

: Not available; ^b Break in series.

Source: Eurostat

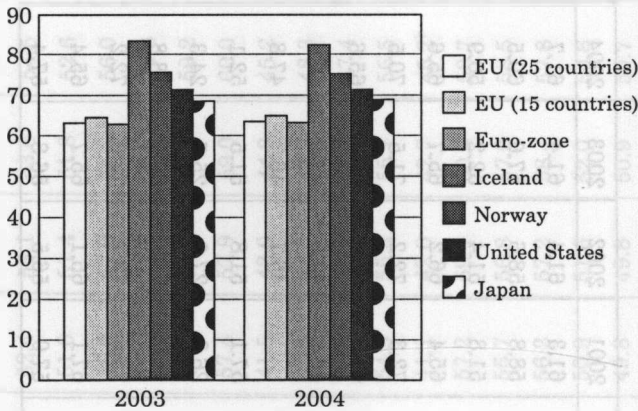


Fig. 1. Total employment rate % (2003–2004)

Source: Based on Eurostat.

lags behind the US, but in this case the main reason for this is because Europeans want to have much more free time and longer vacations. But despite this, the biggest problem is not the difference between productivity in Europe and America, but the fact that productivity is increasing in the US faster than in the EU, so this difference is still growing.

The necessity of enabling workers to reconcile family and professional life also seems to be very significant. This could encourage more women to take up a job (one of the most important goals of the strategy was to increase the female employment rate from 53% in 1999¹⁶ to 60% in 2010). In 2004 the female employment rate was 56.8% within EU-15 (within EU-25 it was 55.7%), while in the US since 1993 the female employment rate has been maintained at a higher level than the one which Europe would like to achieve (65.4% in 2004)

4. Conclusions

In conclusion, it should be pointed out that in the context of sustainable development, the most necessary steps to be taken are as follows: create more and better jobs, encourage people to increase their productivity, remodel social security systems, increase the level of adaptive skills of employers and employees, create an appropriate environment for investing in human resources through better education and creating possibilities for learning and improving job skills. The reformed Lisbon

¹⁶ in comparison to 61% of men in the same year.

Strategy and Sustainable Development Strategy show that the process of adapting demographic and global challenges may be long and difficult. The only way is to develop labour markets by increasing productivity and associating higher salary and social welfare with productivity in a much clearer way.

Another necessary step is a huge cultural, mental and institutional transformation, because European society should find a new equilibrium point to achieve economic growth on the one hand and social security and diversity on the other. Continuation of the "welfare state model" could lead to general poverty in the future. Besides, the main question is not how to match the United States, but rather how to avoid stagnation or recession. So manpower migration gives a brand new dimension to the EU economy. Analysis of European human resources over the last two years since the so-called EU enlargement to the east (this analysis is part of the European Commission Report regarding free movement of workers, mentioned above) shows that both employers' and employees' skill to adapt should be improved, in order to support Europe's market changes [Commission..., 2005, 10]. Since manpower is continually decreasing, there is a strong need to develop new effective rules for legal migration in the context of increasing the mobility of manpower. Appropriate certification of work qualifications is also of great importance. In 2006 the European Commission will present its conclusions on implementing a simpler method for the mutual recognition of work qualifications [Commission..., 2005, 10]. According to Špidla's Report mentioned above, EU-15 countries should remove restrictions on the movement of workers, in order to obtain higher employee mobility from the new EU countries.

Literature

- Communication from the commission: a sustainable Europe for a better World: a European Union Strategy for sustainable Development, COM (2001)264 final, May 15th 2001.
- Communication from the commission to the council, The European Parliament, The European economic and social committee of regions – Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004–30 April 2006), Brussels, COM(2006) 48, Feb 8th 2006.
- Communication to the spring European council: Working together for growth and jobs – A new start for the Lisbon Strategy, COM (2005) 24, Feb 2nd 2005.
- DzU WE #L 197/13 Aug 5th 2003.
- General report on the activities of European union is published by European Commission once a year based on article 212 of European Community Treaty and article 125 of European Coal and Steel Community Treaty.
- Szomburg, J., *Strategia Lizbońska szansą dla Europy*, www.pfsl.pl (date of last update: 25.03.2005), 2005.

Websites

- www.europarl.eu.int (date of last update: 21.03.2005).
- www.europarl.eu.int (date of last update: 21.03.2005).
- www.pfsl.pl (date of last update: 25.03.2005).

Another necessary step is a better structure and institutional transformation, because Europe's growth point to achieve economic growth in the area of social security and diversity on the other hand. Besides, the main question is not how to match the United States, but rather to avoid stagnation or recession. So manpower migration gives a brand new dimension to the EU economy. Analysis of European human resources over the last two years since the so-called EU enlargement to the east (this analysis is part of the European Commission report regarding free movement of work-ers mentioned above) shows that both employers and employees still to what should be improved in order to support Europe's market changes (Commission 2005: 10). Since manpower is continually decreasing there is a strong need to develop new effective rules for free migration in the context of increasing the mobility of manpower. Appropriate definition of work qualifications is also of great importance. In 2002 the Euro-pean Commission will present its conclusions on implications which will be for the mobility of work qualifications (Commission 2005: 9). According to this report mentioned above, EU states should retain restrictions on the movement of workers in order to obtain higher employment mobility from the new EU countries. It is not clear what level of restriction is at this point, but it is not clear that one should be active to eliminate

Literature

Commission from the commission, a sustainable Europe for a better World. European Union Strategy for sustainable Development COM (2001)324 final, 2001, 2001.
Commission from the commission to the council, The European Parliament, The European Economic and Social Committee of members. Report on the functioning of the 15th Amendment on the 10th Amendment Treaty dated 1 July 2004.
April 2004, Bureau COM(2004) 120 final 2004.
Commission to the ruling proposal Council Working paper on growth and job creation, COM (2004) 23, 2004, 2004.
Lalwani, J. Strategic labour market development and employment in Africa. (2004) report on the activities of the African Commission on Employment and Labour Market Development. Working paper No. 1, African Commission on Employment and Labour Market Development, 2004.
Schmid, J. Strategic labour market development and employment in Africa. (2004) report on the activities of the African Commission on Employment and Labour Market Development. Working paper No. 1, African Commission on Employment and Labour Market Development, 2004.