



EUROPEAN PARLIAMENT

2014 - 2019

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*Committee on Employment and Social Affairs*

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**2014/2059(INI)**

2.10.2014

## **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: implementation of  
2014 priorities  
(2014/2059(INI))

Rapporteur (\*): Sergio Gutiérrez Prieto

(\*): Associated committee – Rule 54 of the Rules of Procedure

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## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- having regard to its resolutions of 14 September 2011<sup>1</sup> and of 16 January 2014<sup>2</sup> on an EU Homelessness Strategy,
- A. whereas, after six years of economic crisis and negative growth rates, the economic recovery is slowly gaining ground and is expected to spread to all the Member States by 2015; whereas the Commission's forecasts for the economic recovery are still fragile and the reforms must continue in order to meet citizens' employment and social demands and restore productivity and competitiveness; whereas the Commission recognises that the social situation is depressed in many parts of the EU, that unemployment has reached unprecedented heights and that the divergences among regions and Member States are growing; whereas measures to tackle this employment and social situation would facilitate competitiveness and growth prospects;
- B. whereas, notwithstanding a mild decline, EU unemployment and youth unemployment rates are still incredibly alarming (25.005 million unemployed in the EU-28 in June 2014 and 5.06 million unemployed young people in the EU-28 in July 2014); whereas, furthermore, the differences between Member States' general and youth unemployment rates (5 % unemployment in Austria, compared with 27.3 % in Greece; 9.3 % youth unemployment in Austria, compared with 53.8 % in Spain) represent a major risk both for the EU's economic stability and for European social cohesion;
- C. whereas the Commission has noted that many Member States have already launched significant reforms, including strengthening and improving the efficiency of active labour market policies and creating a hospitable business environment;
- D. whereas the Commission points to the role of innovation, research and development in generating added value, and to the fact that growing skills mismatches are particularly affecting knowledge-based sectors;
- E. whereas labour market fragmentation is now one of the major causes of inequality between Member States and between different sectors; whereas this is demonstrated by the divergences in access to employment (including high entrance hurdles) and in working conditions and wage levels, which are sometimes insufficient to guarantee decent living standards, and by the growing polarisation between low- and high-skilled work, which can prevent movement within the labour market; whereas reforms are still necessary in order to put an end to such fragmentation;

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<sup>1</sup> OJ C 51 E, 22.2.2013, p. 101.

<sup>2</sup> Texts adopted, P7\_TA(2014)0043.

- F. whereas the setting of a minimum wage is a competence of the Member States;
- G. whereas EU legislation on working conditions, discrimination, and health and safety in the workplace grants workers protection from exploitation and discrimination, and helps to facilitate the integration of groups such as women and people with disabilities into the labour market; whereas the cost of workplace accidents and occupational ill-health is estimated to represent between 2.6 % and 3.8 % of GDP, while it is estimated that companies receive a return of EUR 2.2 for every euro spent on implementing health and safety standards;
- H. whereas the economic and financial crisis has highlighted the fragility of public finances in some Member States;
- I. whereas, in order to tackle the crisis, some Member States have made severe cuts in public expenditure at the same time as demand for social protection has increased in response to the rise in unemployment; whereas national budget allocations for social security cover have been further stretched as contributions have fallen in the wake of wide-scale job losses or wage cuts, thus placing the European social model at real risk;
- J. whereas the Commission has acknowledged that austerity policies, pursued as a result of the crisis and of the situation of several EU economies, have had a negative impact on economic growth and social aspects, as stated in its communication of 2 June 2014 (COM(2014)0400): ‘The effects of the crisis and of policy measures on the economic and social situation have an impact on levels of inequality. The structural nature of certain forms of unemployment, limitations of access to education and healthcare, certain tax-benefits reforms may all weigh disproportionately on the more vulnerable parts of society.’;
- K. whereas Article 9 TFEU provides that ‘[I]n defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health’, and whereas it is important to implement this horizontal clause sufficiently in all policy areas so as to achieve the objectives of Article 3 TEU; whereas Article 174 TFEU provides that: ‘In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. [...] particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.’;
- L. whereas only 7.5 million people – 3.1 % of the EU workforce – are currently employed in another Member State, and whereas young people are the group most likely to be mobile;
- M. whereas, as a result of the crisis, SMEs and micro-enterprises face extremely high costs in order to access finance and have difficulty doing so, thus hampering their ability to grow and create jobs; whereas the Commission and the Member States consequently need to support SME development, with the aim of promoting smart, sustainable and inclusive

economic growth and quality employment in the EU in accordance with the Europe 2020 goals;

1. Welcomes the fact that the focus of the 2014 country-specific recommendations (CSRs) has shifted from solely boosting fiscal consolidation to strengthening the conditions for sustainable growth and employment; recalls that within the current Stability and Growth Pact (SGP) there are still margins intended to facilitate economic growth in the EU, and that differences in the Member States' economic and social situations need to be taken into account;
2. Welcomes the Commission's recognition that fiscal consolidation must continue in a growth-friendly and differentiated manner, which will allow Member States not only to invest in growth and job creation but also to tackle high debt, unemployment and the challenges of an ageing society;
3. Highlights the job potential of the green economy, which according to Commission estimates could create 5 million jobs by 2020 in the energy efficiency and renewable energy sectors alone, provided that ambitious climate and energy policies are put in place; calls on the Member States to ensure sufficient levels of investment in these sectors and to anticipate workers' future skills; calls on the Commission to include exploiting the job potential of the green economy as a key priority in the 2015 Annual Growth Survey (AGS);
4. Welcomes the fact that the Commission takes into account the divergences between Member States apparent in the National Reform Programmes (NRPs), but calls on the Commission and the Member States to pay special attention to those regions with permanent natural or demographic handicaps, in particular when considering fund allocations;
5. Recalls that the Commission has recognised that 'the high levels of unemployment and social distress are eroding Europe's human and social capital and call for decisive action over time' (COM(2014)0400); calls on the new Commission to take fully on board the social and employment compromises in the budget and to bring them into line with the goals of the Social Investment Package (SIP);
6. Stresses that social and employment policies should not be looked at merely from a cost perspective, but that consideration should also be given to structural labour market reforms and long-term benefits, in order to maintain investments in society and its citizens with a view to achieving the Europe 2020 goals and safeguarding the future and stability of the Member States and of the EU as a whole;
7. Emphasises that while wages are an important variable in resolving macroeconomic imbalances in the eurozone, they are not merely a tool for economic adjustment but above all the income workers need to live on; calls on the Commission to ensure that recommendations relating to wages do not increase in-work poverty or wage inequalities within Member States, or harm low-income groups;

8. Is deeply concerned that the EU is a long way from achieving the employment and social targets of the Europe 2020 strategy, and that the poverty reduction target in particular is lagging behind, given that the number of people living in poverty increased by 10 million between 2010 and 2012 rather than decreasing; calls on the new Commission to adopt a consistent approach and to ask the Member States to report immediately on national progress with regard to the Europe 2020 strategy; calls on the Member States to establish – in their NRPs – well-defined national strategies for moving forward with the Europe 2020 strategy, especially as regards poverty reduction;
9. Calls for ex ante coordination of fiscal, economic and social policies recommended as part of the European Semester, in particular in the AGS and the CSRs;
10. Acknowledges the Commission's work on the social pillar of economic and monetary union (EMU) as part of the process of integrating the social dimension into the current structure of economic governance mechanisms; calls for this to be continued in a more ambitious way, so as to reduce unemployment, poverty and social exclusion and overcome social dumping; calls on the Commission and the Member States to bring economic measures implemented in the course of the European Semester process into line with the social targets of the Europe 2020 strategy and the social principles set out in the Treaties;
11. Welcomes the Commission's use of the new employment and social scoreboard for this year's CSRs, in particular the references to general and youth unemployment rates and NEET levels; notes that these indicators are purely analytical; calls for the inclusion of additional indicators – such as quality of work, child poverty levels, access to healthcare, and homelessness – in the scoreboard; calls for these indicators to have a real influence on the whole European Semester process;
12. Calls on the Commission and the Council to continue to improve the indicators used to monitor the social, environmental and innovation dimension of the Europe 2020 strategy as part of the European Semester; calls on the Commission to continue the debate on the number and development of social and employment indicators, given that economic and social aspects of the EU are two sides of the same coin, both of which play a key role in the EU's development;
13. Reiterates its call for a meeting of the Eurogroup employment and social affairs ministers to be held prior to euro summits whenever necessary, so as to ensure that social and employment concerns are addressed more fully in the discussions and decisions of the eurozone authorities, and with a view to contributing to the meetings of the eurozone Heads of State or Government; believes in the importance of joint meetings between the EPSCO and ECOFIN Councils with the aim of achieving a coherent position whenever necessary;
14. Welcomes the Commission's recognition that the impact of fiscal consolidation measures, – taken to ensure not only the sustainability of some Member States' economies, but the sustainability of the EU economy as a whole – on the EU employment and social situation has been severe and far-reaching; calls for increased efforts to fulfil the employment and social obligations set out in the Treaties and in the EU Charter of

Fundamental Rights; calls on the EU Agency for Fundamental Rights to assess thoroughly the impact of these measures on fundamental rights and to issue recommendations in the event of breaches of the Charter;

### ***Employment***

15. Welcomes the intention of the Italian Presidency, as indicated in the conclusions of the extraordinary meeting of the European Council of 30 August 2014, to hold a conference at the level of Heads of State or Government on employment, especially youth employment;
16. Welcomes the abovementioned reduction in unemployment rates in some Member States; recalls, however, that the Europe 2020 strategy accurately states that the figure to watch is the employment rate, and considers it regrettable that the current employment rate indicators do not accurately reflect the reality of all labour markets in the EU;
17. Notes that the Commission draws attention to the need for structural reforms aimed at improving framework conditions for growth and jobs, particularly at times of high unemployment, and that many opportunities can be opened up at both national and European level by completing the single market;
18. Calls on the new Commission to make the employment recovery an absolute priority by drawing up an ambitious and holistic strategy for growth and quality job creation, which should involve all the new Commissioners; takes the view that, to this end, the Employment and Social Affairs Commissioner should develop a plan which involves all policy areas and includes concrete measures to boost quality employment;
19. Considers that the EU cannot recover its competitiveness by means of cost-cutting alone, but that this needs to be accompanied by increased investment in research and development, education and skills, and by greater resource-efficiency; requests that labour markets become more adaptive and dynamic so as to be able to adjust to disruptions in the economic situation without causing collective redundancies and excessive wage adjustment; recalls that the purchasing power of many EU workers has been sharply eroded, household incomes have fallen and internal demand has been depressed; believes that in order to restore the necessary competitiveness of our economy, the EU must also contemplate strategies focusing on other production costs, price developments and profit margins, and on cross-sectoral policies aimed at boosting innovation, productivity and excellence;
20. Is concerned about the ever-rising inequalities in wealth and income weakening purchasing power, internal demand and investment in the real economy; calls on the Member States to include measures aimed at reducing these inequalities into their NRPs with a view to boosting growth, employment and social cohesion;
21. Stresses the need to shift the tax burden away from labour towards other forms of sustainable tax in order to promote growth and job creation;
22. Welcomes the Commission's CSRs in the field of environmental taxation and calls on the

Member States to implement the recommendations while ensuring that this benefits lower incomes in particular; highlights the positive budgetary, employment, social and environmental impact of shifting taxation from labour to environmental taxation and of phasing out environmentally harmful subsidies; calls on the Commission to make environmental taxation a priority in the upcoming AGS;

23. Is concerned that in some cases financial fragmentation in the eurozone is jeopardising the growth and sustainability of SMEs; calls for the restoration of the economy's lending capacity, which allows SMEs to invest and create jobs, and for the easing of SMEs' access to entrepreneurship and to programmes such as COSME and Horizon 2020;
24. Calls on the Member States to eliminate unnecessary administrative burdens and bureaucracy for the self-employed, micro-enterprises and SMEs and to facilitate business start-up conditions;
25. Calls on the Commission, as a matter of urgency, to give tangible form – on the basis of Article 9 TFEU – to the promised EUR 300 billion investment plan, and calls for an assessment as to whether this figure is sufficient to restore the EU's full potential for growth, competitiveness and quality job creation;
26. Welcomes the Commission's call, in its umbrella communication on the CSRs in the EU as a whole, to invest more in R&D, innovation, education, skills and active labour market policies, together with energy, transport and the digital economy;
27. Calls on the Commission and the Member States to strengthen EU industry through the application of a more flexible competition policy in favour of competitiveness and employment, together with an ecological and digital transition plan; reiterates its call on the Commission to draw up, after consulting the social partners, a proposal for a legal act on the provision of information to, and consultation of, workers and the anticipation and management of restructuring in order to ensure economic and socially responsible adaptation to change by EU industry in such a way as to maintain workers' rights without placing an excessive regulatory burden on companies, especially SMEs;
28. Is concerned that, in many Member States and sectors, job losses are coupled with a decline in job quality, an increase in employment hurdles and a deterioration in labour standards; stresses that the Commission and the Member States need to make dedicated efforts to improve job quality in order to match skills with labour market needs; calls on the Commission and the Member States to make dedicated efforts to address the additional problems caused by involuntary part-time and involuntary temporary employment, precarious contracts (such as zero-hour contracts), bogus self-employment and undeclared work; welcomes, therefore, the Commission's initiative regarding a European platform on undeclared work; reiterates its call on the Member States to ensure that people on precarious, temporary or part-time contracts or who are self-employed enjoy a core set of rights and adequate social protection;
29. Calls on the Commission to ensure that its policy guidance promotes labour market reforms aimed at, inter alia, reducing segmentation, promoting transition between jobs, advancing the inclusion of vulnerable groups in the labour market, reducing in-work

poverty, promoting gender equality, strengthening the rights of workers on atypical contracts and providing greater social protection for self-employed workers;

30. Observes that, in its 2013 annual report on the EU employment and social situation, the Commission highlighted the importance of social protection expenditure as a safeguard against social risks; recalls the importance of automatic stabilisers in dealing with asymmetrical shocks, avoiding excessive depletion of national welfare states and thus strengthening the sustainability of EMU as a whole; calls on the Commission to include in its CSRs the importance of preserving strong automatic stabilisers in the Member States in view of their outstanding role in maintaining social cohesion as well as stimulating internal demand and economic growth; reiterates its call on the Commission to produce a Green Paper on automatic stabilisers in the eurozone;
31. Notes the intention of the Italian Presidency of the European Council, as delineated in its programme, to open the debate on automatic stabilisers at the EU level, with a special focus on the possible establishment of an unemployment benefit scheme in the eurozone;
32. Stresses the importance of active and inclusive labour market policies as a strategic tool for promoting employment in the current context; is deeply concerned that several Member States, despite rising unemployment rates, have reduced budget allocations to finance active and inclusive labour market policies; calls on the Member States to increase the coverage and effectiveness of active labour market policies, in close cooperation with the social partners;
33. Welcomes the adoption of Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between Public Employment Services (PES); notes the January 2014 proposal for a EURES (European Job Mobility Portal) regulation; calls for Parliament and the Council to deliberate on the reform as a matter of urgency so that EURES can become an effective instrument for boosting intra-EU labour mobility, in line with the provisions of Regulation (EU) No 1296/2013 and with a view to promoting diversity; recalls that mobility must remain voluntary and must not limit efforts to create quality jobs and training places on the spot; stresses that reliable professional information on working and living conditions in other Member States is a prerequisite for a well-functioning European Economic Area;
34. Highlights the rising number of workers, particularly young people, departing their countries of origin for other Member States in search of employment opportunities; urges the Commission, together with the Member States, to promote intra EU-labour mobility in order to ensure freedom of movement, while upholding the principle of equal treatment and safeguarding wages and social standards; calls on each Member State to establish social and labour conditions that are in line with the Europe 2020 strategy;
35. Is concerned that the supply of science, technology, engineering and mathematics skills (STEM) will not match the increasing demand from businesses in the coming years, thereby reducing the capacity of the EU labour force to adapt and progress; calls on the Member States to invest in the modernisation of education and training systems, including lifelong learning, and in particular in dual learning schemes, and to facilitate the transition from school to work;

36. Believes there is a need to improve leadership, management and entrepreneurial skills among young people in order to enable new businesses and start-ups to take advantage of new markets and realise their growth potential, so that young people become employers rather than solely employees;
37. Notes that bank lending is still the most common source of finance in the EU; believes, however, that there are real benefits in new forms of financing through innovative schemes and non-bank routes, such as crowdfunding, SME angels, peer-to-peer lending, micro-lending, easily accessible microcredit agencies and other tools, which can provide vital investment for start-ups and SMEs to grow and create jobs;
38. Welcomes the reduction in youth unemployment rates, but points out that they are still alarming: 22 % in the EU-28 and 23.1 % in the eurozone; highlights the worrying differences between Member States (7.8 % in Germany and Greece (56.3 % in April 2014)); stresses that job insecurity and underemployment have also risen, bearing in mind that even when young people do find a job, some of them – 43 % on average, compared with 13 % of adult workers – find themselves working under precarious conditions or on involuntary part-time contracts; also expresses concern at the increasing level of homeless unemployed young people in many Member States;
39. Welcomes the fact that the Youth Guarantees are mentioned in the majority of the CSRs; calls on the Commission to monitor closely the challenges identified in the 2014 CSRs regarding the quality of offers, the lack of active outreach to NEETs, the administrative capacity of public employment services and the lack of effective engagement with all relevant partners, while at the same time identifying best practices that could serve as a benchmark for improving programmes; calls for greater transparency in monitoring implementation, a more ambitious approach to dealing with those Member States showing no progress, and better use of frontloading; stresses, in this connection, that the Youth Employment Initiative should be regarded as an incentive for all Member States to use the European Social Fund to finance broader youth-related projects, especially those dealing with poverty and social inclusion;
40. Calls on the Commission to propose a European framework introducing minimum standards for the implementation of the Youth Guarantees – including the quality of apprenticeships and jobs, decent wages for young people and access to employment services and rights – and covering young people aged between 25 and 30; calls on the Member States to use the available budget efficiently and to implement the Youth Guarantees without delay; calls on the Commission and the Member States to make the Youth Guarantees a priority, given that budget allocations are frontloaded in the first two years; calls for the available budget to be increased during the promised mid-term review of the multiannual financial framework, bearing in mind that the International Labour Organisation has estimated that the sum of EUR 21 billion is necessary to resolve the problem of youth unemployment in the eurozone; regards this increase as a necessary investment, given that the enormous annual economic loss resulting from inaction against youth unemployment amounts to EUR 153 billion, corresponding to 1.2 % of EU GDP

(Eurofound, 2012)<sup>1</sup>;

41. Stresses the importance of emphasising practical skills and the dual system of vocational training, which makes young people more employable;
42. Calls on the Member States to improve cooperation between business and the education sector at all levels;
43. Notes the March 2014 Council recommendation on a quality framework for traineeships with a view to preventing discrimination and exploitation of young workers; calls on the Commission and the Member States, as part of the European Semester, to incorporate these recommendations into the NRPs and the CSRs;
44. Observes with concern that female unemployment rates are higher than the total rates (11.7 % in the EU-18 and 10.4 % in the EU-28, compared with 11.5 % and 10.2 % respectively); calls, therefore, for specific quality-job creation plans with targeted measures for women; calls for gender mainstreaming in recommendations, and points out that increasing gender equality and women's labour market participation must not be threatened by other recommendations; calls for the establishment of specific recommendations with a view to reducing the gender pay and pension gap, which is not only a drag on the economy and on competitiveness but also a sign of social injustice;
45. Welcomes the recommendations addressing the low participation of women in the labour market; calls on the Commission to include a broader gender equality perspective – beyond employment rates – in the next AGS; calls on the Commission and the Member States to address labour market segregation and the unequal distribution of care responsibilities; calls for affordable, quality public services in the field of childcare and care for dependants which enable carers, especially women, to return to employment, and which facilitate the reconciling of work and private life;
46. Calls on the Member States to pay particular attention to high unemployment rates among disadvantaged groups, giving priority to access to, and integration into, the labour market and to the mainstreaming of access and integration policies, as employment is the key to successful integration;
47. Is deeply concerned that long-term unemployed people and senior workers are experiencing higher unemployment rates and additional difficulties in re-entering the labour market; calls on the Member States to make full use of the European Social Fund to help these workers successfully re-enter the labour market;
48. Observes with concern that in many cases employees aged 40+ no longer receive appropriate training and further education on the job; calls, therefore, on employers, the

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<sup>1</sup> Eurofound (2012), 'NEETs: young people not in employment, education or training: characteristics, costs and policy responses in Europe', Publications Office of the European Union, Luxembourg.

social partners and national governments to implement true lifelong learning (LLL) concepts and measurements on the labour market with a view to achieving marked improvements in the qualification of older workers as soon as possible;

### *Poverty and social exclusion*

49. Welcomes those CSRs aimed at increasing the adequacy and coverage of minimum income schemes, safety nets and social protection, and the number of CSRs relating to labour market inclusion policies; takes the view, however, that the uneven and fragile growth expected by the Commission in 2014 and 2015 will not by itself be able to tackle the impact that the crisis and its consequences have had on the fight against poverty and social exclusion and on the achievement of the Europe 2020 goals; urges the Member States to follow up the recommendations closely, to deliver on them and to propose specific, targeted measures within their NRPs with a view to tackling poverty, especially homelessness and child poverty;
50. Calls on the Commission to link the European Semester more closely to the Europe 2020 social objectives; takes the view that NRPs should report on progress on national poverty targets, demonstrating the contribution made to the commonly agreed Europe 2020 poverty headline target; calls on the Commission to issue CSRs on fighting poverty to all Member States in the future; calls on the Member States to have in place specific social inclusion and anti-discrimination measures with a view to reducing poverty, targeting those groups at greatest risk of social exclusion; calls on the Member States to implement a comprehensive active inclusion strategy by providing a minimum income and a social security system, in accordance with their own national practices, including provisions set out in collective agreements or national legislation;
51. Calls on the Member States, in the light of the Council recommendation of 9 and 10 December 2013 on effective Roma integration measures in the Member States, to implement long-term, targeted and integrated measures aimed at reducing the social and economic marginalisation of Roma communities, in particular through the adoption of labour market integration measures, including strengthened links between social assistance and activation, increased school attendance by Roma children and the reduction of early school-leaving;
52. Calls on the Commission to tackle immediately the alarming increase in child poverty throughout the EU through the introduction of a child guarantee against poverty; believes that such a guarantee is of the utmost importance in order to protect children affected by the consequences of the current economic and social crisis;
53. Regrets the fact that the Commission recommendations on pensions were made without taking into account Parliament's position on the relevant Green and White Papers; stresses that pension reforms require national political and social cohesion and should be negotiated with the social partners in order to be successful, and that the necessary comprehensive reforms of the Member States' pension systems should be designed, conceived and adopted with a view to ensuring their sustainability, while at the same time not jeopardising adequate pension levels and being fully in line with the economic and social priorities of the Europe 2020 strategy;

54. Considers it regrettable that very few CSRs tackle the issue of in-work poverty or homelessness; points out that new forms of poverty are emerging which affect the middle and working classes, with difficulties in paying mortgages resulting in an increase in the number of evictions and foreclosures; calls on the Commission, in the 2015 AGS, to explicitly address in-work poverty and poverty among people with limited or no links to the labour market; recommends that the Commission and the Member States implement integrated policies favouring social and affordable housing, effective prevention policies aimed at reducing the number of evictions, and policies tackling energy poverty, which is also on the rise;
55. Welcomes the fact that some CSRs are concerned with the fight against child poverty and with affordable childcare services, but calls for more policies targeting low-income families; calls for more recommendations on social inclusion strategies, including the fight against extreme forms of poverty, such as homelessness;
56. Notes the Commission's support for active inclusion strategies; believes, however, that such strategies must include measures to integrate people with disabilities and reduced work capacity into the labour market; encourages the Member States to consider the added value of incentivising employers to employ those furthest from the labour market by developing a well-balanced mix of responsibilities and support networks involving all relevant actors in the development of Member States' labour market policies;
57. Calls on the Commission to support the effective and efficient use of EU funds to reduce poverty through partnership approaches involving civil society; calls on the Member States, especially those with the highest rates of unemployment and poverty, to consider using 25 % of their cohesion funding for programmes related to the European Social Fund; also requests, in view of the high poverty rates, that an evaluation be carried out as to whether the Fund for European Aid to the Most Deprived is sufficiently well funded, and, if not, that consideration be given the possibility of increasing its funding during the mid-term review of the multiannual financial framework;
58. Agrees with the Commission that the Member States must tackle homelessness through comprehensive strategies based on prevention, housing-led approaches, the reviewing of regulations and practices in relation to eviction, and an end to the criminalisation of homeless people; calls for improvements as regards the transnational exchange of best practices and mutual learning, and acknowledges the role of the Progress programme in this context;
59. Welcomes the recommendation to invest in education, but is concerned that more than 20 Member States have reduced education expenditure in relative terms (as a percentage of GDP), thereby jeopardising their growth and job creation potential and their competitiveness; points out that reducing such investment will increase the EU's structural weakness, given the mismatch between the growing need for high-skilled workers and the fact that in many Member States a high proportion of the workforce is currently low-skilled;

60. Notes the Commission recommendation to reform healthcare systems so that they deliver on their objectives of providing universal public access to high-quality care in a cost-effective manner, and to secure their financial sustainability;

*Democratic legitimacy*

61. Reiterates its call for increased and structured involvement of civil society stakeholders at national and EU level, so as to safeguard the legitimacy and improve the effectiveness of the European Semester process; looks forward, in this connection, to the Commission's planned involvement of the social partners in the context of the Social Dialogue Committee prior to the adoption of the 2015 AGS;
62. Criticises the fact that not all the Member States have involved both their national parliament and their national social partners and civil society in the drafting of their NRPs; calls on the Member States to include a detailed overview in their NRPs explaining who was involved and in what manner; calls on the Commission to take stock of the different national practices as regards parliamentary procedures and stakeholder involvement in the European Semester;
63. Expresses its concern that no recommendations on the Europe 2020 objectives have been made to those Member States with a financial assistance programme; calls on the Commission to assess the impact of the economic adjustment programme on progress towards the Europe 2020 headline targets and to propose changes designed to bring the adjustment programme into line with the Europe 2020 objectives.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	30.9.2014
<b>Result of final vote</b>	+: 41 -: 5 0: 4
<b>Members present for the final vote</b>	Guillaume Balas, Beatriz Becerra Basterrechea, Tiziana Beghin, Vilija Blinkevičiūtė, David Casa, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Arne Gericke, Marian Harkin, Jan Keller, Ādám Kósa, Agnieszka Kozłowska-Rajewicz, Zdzisław Krasnodębski, Kostadinka Kuneva, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Georgi Pirinski, Terry Reintke, Sofia Ribeiro, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Romana Tomc, Ulrike Trebesius, Marita Ulvskog, Renate Weber, Tatjana Źdanoka, Jana Źitňanská
<b>Substitutes present for the final vote</b>	Daniela Aiuto, Maria Arena, Georges Bach, Heinz K. Becker, Deirdre Clune, Tania González Peñas, Sergio Gutiérrez Prieto, António Marinho e Pinto, Edouard Martin, Evelyn Regner, Helga Stevens, Ivo Vajgl, Gabriele Zimmer