



15.6.2017

# OPINION

of the Committee on Employment and Social Affairs

for the Committee on Budgets

on the mandate for the trilogue on the 2018 draft budget  
(2017/2043(BUD))

Rapporteur: Deirdre Clune

PA\_NonLeg

## SUGGESTIONS

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

1. Recalls that robust recovery and sustainable growth and investment (in business, public services and human capital) are key factors for quality employment leading to decent jobs, increasing prosperity, reducing inequalities and boosting upward social convergence and that it is necessary to direct the European structural and investment funds more effectively towards promoting inclusive growth; recalls that the EU budget should contribute financially towards achieving the Europe 2020 targets in the social and employment area;
2. Emphasises that the 2018 budget must play a key role in enhancing the Union's contribution to sustainable and inclusive growth and quality jobs, especially in combating youth and long-term unemployment, poverty including in-work poverty, rising inequalities and social exclusion; stresses, in this regard, that the 2018 budget cannot be understood outside the context of the 2014-2020 Multiannual Financial Framework (MFF) which needs to be revised by the end of this year at the latest; calls on the Council to complete the review of the MFF as soon as possible;
3. Underlines the importance of sufficient funding and good budgetary management of the programmes within the MFF 2014-2020 that aim to address unemployment, poverty and social exclusion, such as the Youth Employment Initiative (YEI), the European Globalisation Adjustment Fund (EGF), the different axes of the Programme for Employment and Social Innovation (EaSI) with a special regard to the Eures axis, the three autonomous Budget Headings supporting European Social Dialogue and workers' organisations and the Fund for European Aid to the Most Deprived (FEAD); insists, therefore, that for 2018 these programmes' resources should at least be maintained at the levels of the previous EU budget; notes that payment amounts for this year's budget were limited as the structural funds have not been absorbed as quickly as expected and stresses that adequate payment appropriations need to be provided for in budget 2018;
4. Insists that financial support from EU funds continues to prioritise programmes facilitating job creation and job-retention, and to reach as many targeted beneficiaries as possible, in particular for all those furthest from the labour market; recommends that sufficient funding through the respective budget lines be provided for the implementation of the measures identified in the Council's Recommendation on the integration of the long-term unemployed in the labour market;
5. Stresses in particular that employment has a positive impact on the recovery process of persons with physical and mental ill-health and that funding should target evidence-based models such as place-and-train schemes;
6. Considers that the parameters of programmes such as the European Globalisation Fund are unfairly prohibitive on smaller Member States; suggests that the criteria for eligibility be flexible in this regard as redundancies and closures have the ability to affect smaller regions to a greater extent than others;

7. Insists that adequate commitments and especially payment appropriations are ensured in the 2018 Budget for the European Social Fund (ESF) given that the ESF is entering a period of intense implementation and that payment requests by Member States will increase;
8. Calls on the Member States to complete the accreditation of all responsible management authorities to ensure efficient operational functioning of the ESF;
9. Stresses, as stated by the OECD, that more educated people contribute to more democratic societies and sustainable economies, and are less dependent on public aid and less vulnerable to economic downturns; therefore points out that the EU budget should foster investment in quality education, vocational training and innovation not only as a key mechanism to combat unemployment, poverty and social exclusion, but also to enable the EU to compete successfully in the global markets;
10. Recalls that youth unemployment rates remain unacceptably high in the Union<sup>1</sup> and that the situation of unemployed young people, especially NEETS (not in education, employment, or training), is particularly worrying; emphasises that, in order to address this issue, it is of the utmost importance to ensure the adequate and timely funding of the Youth Guarantee schemes through the YEI and the ESF;
11. Highlights, in this regard, the importance of continuing the YEI up to the end of the current MFF, and believes it is essential that the Youth Employment Initiative be adequately funded; notes, however, that its funding remains insufficient; welcomes the agreement, in the context of the 2017 budget negotiations, on the fresh funding of EUR 500 million for 2017, and stresses that the Council must adopt the agreed increase before the end of the year; points out the necessity to ensure a funding of at least EUR 700 million for the period 2018-2020, as agreed within the MFF mid-term revision; calls also for the allocation of sufficient payment appropriations to ensure its proper implementation;
12. Notes with concern the Court of Auditors statement that it is not possible to address the whole NEET population using the resources available from the EU budget alone<sup>2</sup>;
13. Highlights that long-term solutions are needed especially regarding the quality and accessibility of tertiary education systems and also ensuring access to quality employment leading to decent jobs for young people; stresses, in this context, that more financial and administrative efforts need to be done to increase access to Erasmus+ to help remove barriers to mobility for applicants from lower-income households and persons with disabilities that have been more heavily hit by the economic crisis and the cuts;
14. Highlights the necessity to provide resources for combating poverty, especially child poverty and for supporting measures addressing children's basic needs such as food

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<sup>1</sup> In March 2017, the youth unemployment rate was 17.2 % in the EU28 and 19.4 % in the euro area, compared with 19.1 % and 21.3 % respectively in March 2016 - Eurostat, 2nd May 2017: <http://ec.europa.eu/eurostat/documents/2995521/8002525/3-02052017-AP-EN.pdf/94b69232-83a9-4011-8c85-1d4311215619>

<sup>2</sup> Special Report No 5/2017: Youth unemployment – have EU policies made a difference?, p. 8.

supplies, housing, education and healthcare;

15. Underlines the importance of the Fund for European Aid to the Most Deprived (FEAD) for tackling poverty and social exclusion, and asks for appropriate resources to be allocated in the 2018 budget to allow the needs of the target groups and the Fund's objectives to be adequately met;
16. Takes the view that the EU budget should also support vocational training and professional qualification measures, with a specific emphasis on sectoral-specific skills gaps, and promoting in particular the upskilling pathways initiative recently adopted by the Council (targeting low-skilled adults) as well as mobility among apprentices, as is already being done for students under the Erasmus programme;
17. Calls for a sustained effort to be made through the budget to provide for appropriate training and re-skilling in sectors with labour shortages and in key sectors with high job-creation potential;
18. Points out that micro, small, and medium-sized enterprises (including social enterprises), are the backbone of Europe's economy, representing 99 % of all businesses in the EU; notes that one of the main problems in setting up and maintaining such enterprises is that of obtaining finance; encourages the use of the 'Think Small First Principle'; underlines that the 2018 budget should support measures promoting entrepreneurship, including social entrepreneurship, innovative social enterprises, employee financial participation and self-employment; stresses, in this respect, that the 2018 budget should in particular facilitate access to micro-credits available through the microfinance and social entrepreneurship axis of the EaSI programme; stresses that the amount of grants available for SMEs and social enterprises should be guaranteed in order to maintain their competitiveness and potential for job-creation;
19. Stresses that the EU budget should support efforts to promote the completion of the single market, competitiveness and social convergence, the development of a policy on socially responsible enterprises, and the monitoring of the application of statutory social standards by enterprises in order to ensure the creation of jobs and growth;
20. Calls for Parliament's delegation to emphasise the importance of full implementation of the budget lines dedicated to employment and social affairs;
21. Points out that changes that reduce the budgetary programming for these lines must be rejected and that a proper balance between commitment and payment appropriations must be found in order to allow these policies to reach their full potential;
22. Recalls the important contribution that all the employment and social affairs agencies (the European Centre for the Development of Vocational Training (CEDEFOP), the European Training Foundation (ETF), the European Foundation for the Improvement of Living and Working conditions (Eurofound), and the European Agency for Safety and Health at Work (EU-OSHA)) have made when dealing with issues within the remit of the EMPL committee, and in particular their potential to address a wide range of problems (such as quality employment leading to decent job creation, new forms of employment, vocational training support and professional qualification measures or occupational safety and health and safety); stresses, against this background, that their

tasks are constantly growing and that those agencies must therefore be given the necessary financial and human resources to fulfil their mandate and execute such tasks; strongly supports a case-by-case approach to assessing the individual needs of decentralised agencies;

23. Stresses that the 2018 budget should promote a high level of worker protection and a culture of prevention across the EU and help to address the new challenges to physical and mental health and safety at work that continue to take place; insists, in this respect, that proper funding for EU-OSHA and the physical and mental health and safety at work strand in the PROGRESS axis of the EaSI programme should be ensured;
24. Emphasises the need for additional funding for Eurofound in order to balance the substantial increase in the Irish country coefficient over recent years which makes it increasingly difficult to maintain the level of research done by the Agency; stresses the need for additional funding, particularly, in order to secure the work done on the pan-European surveys, and to allow for additional work in relation to ‘undeclared work’ and the ‘integration of refugees and migrants into the labour market’;
25. Reiterates that pilot projects and preparatory actions are very valuable tools to initiate new activities and policies in the fields of employment and social inclusion; stresses that several ideas of the Committee on Employment and Social Affairs have been implemented successfully in the past as pilot projects/preparatory actions (PP/PAs); calls on the Commission to continue with this ‘think outside the box’ approach when selecting the PP/PAs with European added value; is of the opinion, therefore, that that committee make further use of those instruments in 2018; encourages the full use of the margins available under each heading; calls for Parliament to be given regular, detailed updates on the various stages in the implementation of pilot projects and preparatory actions by the Commission; calls on the Commission in the implementation of the PP and PAs to respect their content as agreed and approved by Parliament and the Council.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	12.6.2017
<b>Result of final vote</b>	+: 40 -: 5 0: 0
<b>Members present for the final vote</b>	Guillaume Balas, Brando Benifei, Mara Bizzotto, Vilija Blinkevičiūtė, David Casa, Martina Dlabajová, Arne Gericke, Marian Harkin, Czesław Hoc, Agnes Jongerius, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Kostadinka Kuneva, Jérôme Lavrilleux, Thomas Mann, Dominique Martin, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Terry Reintke, Sofia Ribeiro, Robert Rochefort, Anne Sander, Sven Schulze, Jutta Steinruck, Romana Tomc, Yana Toom, Renate Weber, Tatjana Ždanoka
<b>Substitutes present for the final vote</b>	Maria Arena, Heinz K. Becker, Deirdre Clune, Tania González Peñas, Dieter-Lebrecht Koch, Marju Lauristin, Edouard Martin, Joachim Schuster, Csaba Sógor, Michaela Šojdrová, Helga Stevens, Ivo Vajgl, Flavio Zanonato
<b>Substitutes under Rule 200(2) present for the final vote</b>	Isabella De Monte

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

40	+
ALDE	Martina Dlabajová, Marian Harkin, Robert Rochefort, Yana Toom, Ivo Vajgl, Renate Weber
EPP	Heinz K. Becker, David Casa, Deirdre Clune, Dieter-Lebrecht Koch, Agnieszka Kozłowska-Rajewicz, Ádám Kósa, Jérôme Lavrilleux, Thomas Mann, Marek Plura, Sofia Ribeiro, Anne Sander, Sven Schulze, Michaela Šojdrová, Csaba Sógor, Romana Tomc
Green/EFA	Terry Reintke, Tatjana Ždanoka
GUE/NGL	Tania González Peñas, Kostadinka Kuneva, João Pimenta Lopes
S&D	Maria Arena, Guillaume Balas, Brando Benifei, Vilija Blinkevičiūtė, Isabella De Monte, Agnes Jongerius, Jan Keller, Marju Lauristin, Edouard Martin, Emilian Pavel, Georgi Pirinski, Joachim Schuster, Jutta Steinruck, Flavio Zanonato

5	-
ECR	Arne Gericke, Czesław Hoc, Helga Stevens
ENF	Mara Bizzotto, Dominique Martin

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention