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*Committee on Employment and Social Affairs*

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# **DRAFT REPORT**

on the Agenda for new skills and jobs  
(2011/2067(INI))

Committee on Employment and Social Affairs

Rapporteur: Regina Bastos

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the Agenda for new skills and jobs (2011/2067(INI))

*The European Parliament,*

- having regard to the communication from the Commission of 23 November 2010 on an Agenda for new skills and jobs: a European contribution towards full employment (COM(2010)0682),
- having regard to its legislative resolution of 8 September 2010 on the proposal for a Council decision on guidelines for the employment policies of the Member States: Part II of the Europe 2020 Integrated Guidelines<sup>1</sup>,
- having regard to Council Decision 2010/707/EU of 21 October 2010 on guidelines for the employment policies of the Member States<sup>2</sup>,
- having regard to its resolution of 6 July 2010 on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status<sup>3</sup>,
- having regard to its resolution of 6 July 2010 on atypical contracts, secured professional paths, and new forms of social dialogue<sup>4</sup>,
- having regard to its resolution of 7 September 2010 on developing the job potential of a new sustainable economy<sup>5</sup>,
- having regard to the Medium-Term Forecast up to 2020: Skills Supply and Demand in Europe, European Centre for the Development of Vocational Training, 2010<sup>6</sup>,
- having regard to the framework agreement of 25 March 2010 on inclusive labour markets signed by ETUC, BUSINESSEUROPE, UEAPME and CEEP,
- having regard to the communication from the Commission of 3 March 2010 on Europe 2020: a strategy for smart, sustainable and inclusive growth (COM(2010)2020),
- having regard to the communication from the Commission of 12 January 2011 on the Annual Growth Survey: advancing the EU's comprehensive response to the crisis (COM(2011)0011), and the Draft Joint Employment Report annexed thereto,
- having regard to the communication from the Commission of 23 February 2011 on the Review of the 'Small Business Act' for Europe (COM(2011)0078),
- having regard to the communication from the Commission of 9 November 2010 on the

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<sup>1</sup> Texts adopted, P7\_TA(2010)0309.

<sup>2</sup> OJ L 308, 24.11.2010, p. 46.

<sup>3</sup> Texts adopted, P7\_TA(2010)0262.

<sup>4</sup> Texts adopted, P7\_TA(2010)0263.

<sup>5</sup> Texts adopted, P7\_TA(2010)0299.

<sup>6</sup> Cedefop publications, ISBN 978-92-896-0536-6.

conclusions of the fifth report on economic, social and territorial cohesion: the future of cohesion policy (COM(2010)0642),

- having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Industry, Research and Energy, the Committee on Regional Development, the Committee on Culture and Education and the Committee on Women's Rights and Gender Equality (A7-0000/2011),
- A. whereas global unemployment currently affects 23.1 million people; whereas youth unemployment stands at 20.4% and long term unemployment continues to increase,
  - B. whereas as a consequence of the economic crisis of 2008, primary and manufacturing sectors lost more jobs than expected and are still projected to lose around 2.5 million jobs by 2020,
  - C. whereas the service sector, such as sales, security, cleaning, catering and caring, is still expected to provide most job growth between now and 2020 and could be the fastest growing area,
  - D. whereas changing employment patterns in sectors naturally influence the employment patterns for occupations and the qualification levels required,
  - E. whereas workers with undergraduate education are at major risk of loss of employment,
  - F. whereas the long term sustainability of training and higher education depends on various things, such as the state of public finances and individual perceptions,
  - G. whereas the number of jobs demanding higher qualifications is expected to rise,
  - H. whereas migration, within, as well as into and out of, the EU, will increasingly influence the future size and composition of the working population in Member States and has important implications for skill demand and supply,
  - I. whereas a sustainable economy has the potential to increase the number of decent jobs and to contribute to recovery of the European economy,
  - J. whereas the EU still invests less in research and education than its world economic partners and competitors; whereas major investments are needed in the know-how economy,

### **Challenges facing employment policies**

1. Recalls that, within the Europe 2020 strategy, Member States agreed on an employment target of 75% for the 20-64 years age group by 2020; calls on all stakeholders to intensify their efforts to make the Europe 2020 strategy a success;
2. Points out that the employment rate is closely linked to economic performance; strongly recommends that the Member States follow the guidelines for employment policies

together with broad economic policy guidelines;

3. Calls for a better coordination of economic policies between Member States in order to avoid unfair competition and market distortion; urges Member States to respect the rules on budgetary discipline in order to diminish the risk of falling into excessive deficit and calls on the Commission for an effective budgetary surveillance;
4. Supports the Commission's flagship initiative within the Europe 2020 strategy to make the change towards a sustainable economy;
5. Recalls that the combination of demographic change and changes in production chains calls for better employment, education and work organisation strategies in order to maximise the competitiveness of the European economy, minimise the loss of human capital and create new job possibilities;
6. Stresses that national flexicurity arrangements must be strengthened and adapted to the new socio-economic contexts of each individual Member State, in accordance with its specific needs, in order to ensure a flexible and active labour market, efficient training and secure social security systems; warns against one-size-fits-all solutions;
7. Regrets that for many workers the reconciliation of work and family life remains a difficult task; calls on the Member States to give all parents, especially single-parent families, opportunities for integration not only into working life but also into lifelong learning processes;

## **Responses**

### ***Ensuring the availability of a skilled labour force***

8. Welcomes the Commission's initiative to produce an EU Skills Panorama and to reform the European Employment Services EURES network to improve transparency for jobseekers;
9. Calls for better monitoring of the upcoming skill demand in Europe and for an immediate transposition of the findings into education and the lifelong learning policies of the Member States; considers that a 'knowledge alliance' that brings together business and education institutions would be an useful instrument in addressing innovation and skills gaps;
10. Regrets that the number of early school-leavers still remains high; calls on the Member States to implement policies to prevent early school leaving and to offer learning and training alternatives to students with learning difficulties;
11. Welcomes the Commission's proposal to promote European centres of excellence within new academic specialisations for tomorrow's jobs;
12. Encourages Member States to integrate ICT competences, digital literacy and transversal key competences such as communication in foreign languages, as well as entrepreneurship, into their vocational training and lifelong learning policies;

13. Encourages Member States to implement a dual system of education/training in order to introduce young people to the labour market from the earliest stage; furthermore, calls on relevant stakeholders to ensure that traineeships and apprenticeships lead to the provision of new jobs;
14. Considers it necessary to improve mutual recognition of competences, diplomas and skills at EU level, with the same recognition being extended to workers from third countries;

### ***Promoting demand for labour and job creation***

15. Calls on the Member States and the Commission to stimulate creation of small and medium-sized enterprises, to provide them with a regulatory friendly environment and to improve their access to finance; recalls that 85% of jobs in the EU are provided by SMEs; urges all relevant stakeholders to remove barriers to business creation and its free movement;
16. Considers that a barrier-free and competitive single market has to be completed in order to facilitate free movement of workers; in this regard, calls on the Commission and Member States to work closely with social partners and to encourage sharing of best practice and experience in this area;
17. Strongly condemns undeclared work which endangers both society and workers; calls on the Member States to carry out regular checks and to initiate information campaigns in order to raise awareness of long-term disadvantages for workers employed in the black economy;
18. Considers that the health-care sector has a critical role to play in achieving the goals of the Europe 2020 strategy; furthermore considers that, because of demographic change, the health and social care sector is an important employer, whose significance is likely to grow; calls on the Commission to initiate a study on care assistants employed in clients' homes in order to establish whether EU legislation provides sufficient social protection for this category of workers;
19. Calls on the Commission, Member States, social partners and other stakeholders to ensure efficient use of EU funds, such as ESF, ERDF and the Cohesion Fund, and facilities such as the Microfinance Facility, for job creation;

### ***Improving the functioning of the labour market***

20. Notes that flexicurity policies are put at the centre of the Agenda, and shares the Commission's assessment that the crisis has put national flexicurity arrangements to a serious test;
21. Stresses, however, that flexicurity alone cannot remedy the crisis and calls on the Commission, Member States and the social partners to pay special attention to workers from disadvantaged groups, such as young people, low-skilled workers and workers with disabilities;

22. Believes that, under the new momentum of social and economic changes, the four components of flexicurity – flexible and reliable contractual arrangements, active labour market policies, lifelong learning, and modern social security systems – and the balance between them should be reviewed and reinforced;

### ***Promoting inclusive labour markets***

23. Underlines that, in order to emerge stronger from the economic crisis, to become more competitive and convergent, with higher levels of growth, and to secure our welfare systems in the long term, Europe needs to make full use of its labour force potential;
24. Emphasises in this context the importance of reducing segmentation and improving labour market inclusion in order to increase disadvantaged groups' opportunities to enter and make progress in the labour market;
25. Stresses the importance of mainstreaming the rights of persons with disabilities in the implementation of the Agenda, as well as in all aspects of the Europe 2020 strategy;
26. Emphasises the importance of tackling youth unemployment as a matter of priority; calls on the Commission and Member States to continue their efforts to foster youth integration in the labour market, including the provision of incentives for young people and employers; underlines in this context the crucial importance of facilitating the transition from school to work, as well as skills anticipation, upgrading and matching;
27. Emphasises that policies promoting gender equality and the reconciliation of work, family and private life can contribute to increased participation of women and men in the labour market;

### ***Improving job quality and working conditions***

28. Considers that pursuing the objective of full employment has to be complemented by strengthened efforts to improve the job quality, working and living conditions of all employees;
29. Considers that job quality has to be promoted as a multidimensional concept, covering both employment relations and work itself; calls on the Commission to step up efforts to review the EU definition and common indicators of job quality, to make them more operational for the evaluation and benchmarking of Member States' policies;
30. Emphasises the importance of integrating stakeholders' efforts to improve job quality and the use of appropriate policy instruments, including legislation, policy coordination, exchange of good practice and autonomous agreements of the social partners;
31. Considers that adequate social protection should be at the core of employment quality and thus also of the job quality concept;
32. Encourages the Commission to complete its pre-legislative activities and put forward the legislative proposals announced in the Agenda, fully respecting the outcome of its economic and social impact assessment and the autonomy of the social partners;

welcomes the Commission's plans to review the effectiveness of the legislation concerning job quality and working conditions, taking due account of developments;

33. Instructs its President to forward this resolution to the Council, the Commission and the Governments and Parliaments of the Member States.



## EXPLANATORY STATEMENT

The economic, financial and social crisis now affecting Europe has pointed up the weaknesses of the European economic and social model, and has invalidated certain aspects of the progress achieved earlier.

Since the first effects of the crisis made themselves felt on the labour markets in 2008, Europe has lost 5.6 million jobs.

There are currently 23 051 million unemployed in the EU, accounting for 9.5% of the active population, with grave implications for growth and welfare in Europe.

Equally disturbing are the difficulties encountered by some employers in recruiting staff, especially for highly skilled posts. Even during the crisis, certain employers were finding it hard to find people with suitable skills for the vacancies to be filled.

Reinforcing human capital and employability by means of updating skills will mean placing Europe on the path of recovery.

We need to offer people the right incentives to help them update their skills, articulate education and training more closely with work, develop a suitable mix of aptitudes and more effectively anticipate what skills will be needed in future to ensure a better supply-demand fit on the labour market.<sup>1</sup>

The Member States have set the ambitious objective of a 75% employment rate for the 20-64 age group by 2020.

The EU is capable of rising to this challenge, and has the potential to improve employment rates substantially.

In November 2010 the Commission adopted a draft communication entitled ‘An agenda for new skills and jobs: a European contribution towards full employment’.

This ‘agenda for new skills and jobs’ is part of the Europe 2020 strategy, representing the Commission’s contribution towards achieving the Member States’ ambitious goal of 75% employment for the 20-64 age group by 2020.

With a view to attaining this goal, the Commission proposes an action centred on four priorities:

- further labour market reform aimed at achieving both more flexibility and more security (‘flexicurity’);
- suitable incentives for individuals and companies to help them invest in training and ensure the ongoing updating of people’s skills in line with labour market requirements;
- proposals to be presented by the Commission with a view to ensuring decent working

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<sup>1</sup> On the subject of supply and demand in respect of skills in Europe, see: ‘Skills supply and demand in Europe. Medium-term forecast up to 2020’, Luxembourg, 2010: [http://www.cedefop.europa.eu/EN/Files/3052\\_en.pdf](http://www.cedefop.europa.eu/EN/Files/3052_en.pdf)

conditions while also improving the quality of labour legislation: there will be a review of the working time directive, as well as a legislative initiative to improve the directive on the temporary posting of workers;

- action to ensure labour market conditions that are friendly to job creation, inter alia by cutting administrative burdens and taxes related to labour and mobility, recalling that this is an especially important aspect for sectors in process of rapid change, e.g. those characterised by intensive recourse to R&D.

Your rapporteur, while in agreement with the Commission's approach, believes there is room for improvement, especially as regards the following:

- the reduction of administrative burdens and red tape for SMEs in order to create jobs;
- school drop-out rates, recalling that it is for the Member States to take preventive action and offer pupils alternatives in the field of training and apprenticeship;
- measures to improve the work-life balance;
- improved monitoring and anticipation of necessary skills for the future, thus permitting a closer match with supply and orienting the development of skills in terms of enhanced prospects of employment over a lifetime;
- measures targeted on young people with a view to their integration on the labour market even before they have finished formal education, in particular by means of traineeships leading to new job opportunities;
- the need to strengthen the rules on flexicurity and adapt them to the socio-economic context of each Member State, in order to ensure a flexible labour market, proactive policies in relation to that market, lifelong learning and modern welfare systems;
- the need to improve the directive on the temporary posting of workers, with a view to cutting red tape and resolving double taxation issues, in order to facilitate the free movement of workers;
- the need for further progress on the mutual recognition of qualifications as between the EU and third countries;
- closer cooperation between educational institutions and the world of business.

If we are to devise effective policies for employment, education and training and facilitate individuals' career choices, we will need to improve the capacity of the Member States and the Union to forecast and anticipate the nature of future skills and ensure that they are in line with labour market needs.