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Committee on Employment and Social Affairs

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DRAFT REPORT

on the proposal for a Council decision on guidelines for the employment policies of the Member States
(COM(2015)0098 – C8-0075/2015 – 2015/0051(NLE))

Committee on Employment and Social Affairs

Rapporteur: Laura Agea

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council decision on guidelines for the employment policies of the Member States
(COM(2015)0098 – C8-0075/2015 – 2015/0051(NLE))

(Consultation)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2015)0098),
 - having regard to Article 148(2) of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C8-0075/2015),
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A8-0000/2015),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, in accordance with Article 293(2) of the Treaty on the Functioning of the European Union;
 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to substantially amend the Commission proposal;
 5. Instructs its President to forward its position to the Council and the Commission.

Amendment 1

Proposal for a decision

Recital 1

Text proposed by the Commission

(1) Member States and the Union should work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained **and adaptable** workforce and labour markets responsive to economic change and with a view to achieving the full employment and social progress objectives set out in Article 3 of the Treaty on European Union.

Amendment

(1) Member States and the Union should work towards developing a coordinated **and effective** strategy for employment, **designed to resolve the serious effects of unemployment** and particularly for promoting a skilled, trained workforce and labour markets responsive to economic change and with a view to achieving the full employment and social progress

Member States, having regard to national practices related to the responsibilities of management and labour, are to regard promoting employment as a matter of common concern and coordinate their action in this respect within the Council.

objectives set out in Article 3 of the Treaty on European Union. Member States, having regard to national practices related to the responsibilities of management and labour, are to regard promoting employment as a matter of common concern and coordinate their action in this respect within the Council.

Or. it

Amendment 2

Proposal for a decision Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) According to Eurostat estimates, there were 23 815 000 unemployed in January 2015, 18 059 000 of which were in the euro area.

Or. it

Amendment 3

Proposal for a decision Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) It is now essential to establish reliable indicators for the condition of extreme poverty in which many European citizens find themselves, with respect to the previous figures contained in Council Decision 2010/707/EU^{1a} which identified the need to lift at least 20 million people out of the risk of poverty and exclusion.

1^a Council Decision 2010/707/EU of 21 October 2010 on guidelines for the employment policies of the Member States (OJ L 308, 24.11.2010, p.46).

Or. it

Amendment 4

Proposal for a decision Recital 2

Text proposed by the Commission

(2) The Union must combat social exclusion and discrimination, ensure equal access to fundamental rights, **and** promote social justice and protection. In defining and implementing its policies and activities, the Union should take into account requirements linked to the guarantee of adequate social protection and the fight against social exclusion and a high level of education and training.

Amendment

(2) The Union must combat social exclusion, **extreme poverty** and discrimination, ensure equal access to fundamental rights, promote social justice and protection. In defining and implementing its policies and activities, the Union should take into account requirements linked to the guarantee of adequate social protection and the fight against social exclusion and **extreme poverty, by ensuring a high and qualified** level of education and training.

Or. it

Amendment 5

Proposal for a decision Recital 3

Text proposed by the Commission

(3) The employment guidelines are consistent with the broad guidelines for the economic policies

Amendment

(3) The employment guidelines are consistent with the broad guidelines for the economic policies; **however, it is vital to take into consideration the new social**

indicators and the asymmetric shocks that all Member States will experience as a result of the economic crisis.

Or. it

Amendment 6

Proposal for a decision

Recital 4

Text proposed by the Commission

(4) Member States should regard their economic policies as a matter of common concern and coordinate them within the Council. Employment guidelines and broad economic policy guidelines should be adopted by the Council to guide Member States' and Union policies.

Amendment

(4) Member States should regard their economic policies, ***together with their social policies***, as a matter of common concern and coordinate them within the Council. Employment guidelines and broad economic policy guidelines should be adopted by the Council to guide Member States' and Union policies.

Or. it

Amendment 7

Proposal for a decision

Recital 5

Text proposed by the Commission

(5) In accordance with the Treaty provisions, the Union has developed and implemented policy coordination instruments for fiscal policy and macro-structural policies. The European Semester combines the different instruments in an overarching framework for integrated multilateral economic and budgetary surveillance. The streamlining and

Amendment

(5) In accordance with the Treaty provisions, the Union has developed and implemented policy coordination instruments for fiscal policy and macro-structural policies. ***To date, these policies have resulted in an alarming trend of stagnation and deflation in large parts of the Union which is discouraging growth and employment.*** The European Semester

strengthening of the European Semester as set out in the Commission's 2015 Annual Growth Survey will further improve its functioning.

combines the different instruments in an overarching framework for integrated multilateral economic and budgetary surveillance. The streamlining and strengthening of the European Semester as set out in the Commission's 2015 Annual Growth Survey will further improve its functioning.

Or. it

Amendment 8

Proposal for a decision Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) According to the European Social Observatory (OSE), 26 of the 28 EU Member States already have income support and social protection schemes^{1a}.

^{1a}<http://www.eesc.europa.eu/resources/docs/revenu-minimum-etude-ose-vfinale-en--2.pdf>

Or. it

Amendment 9

Proposal for a decision Recital 5 b (new)

Text proposed by the Commission

Amendment

(5b) The President of the Juncker Commission and the Commissioner for Employment, Social Affairs, Skills and

Labour Mobility, Marianne Thyssen, have called on Member States to introduce a minimum income in order to reduce poverty within the Union;

Or. it

Amendment 10

Proposal for a decision

Recital 6

Text proposed by the Commission

(6) The financial and economic crisis revealed and emphasised ***important*** weaknesses in the economy of the Union and its Member States. It has also underscored the close interdependence of the Member States' economies and labour markets. Moving the Union to a state of strong, sustainable and inclusive growth and job creation is the key challenge faced today. This requires coordinated ***and*** ambitious policy action both on Union and national level, in line with the provisions of the Treaty and the Union economic governance. Combining supply and demand side measures, these actions should encompass a boost to investment, ***a renewed commitment to structural reforms and exercising fiscal responsibility.***

Amendment

(6) The financial and economic crisis revealed and emphasised ***serious*** weaknesses in the economy of the Union and its Member States. It has also underscored the close interdependence of the Member States' economies and labour markets. Moving the Union to a state of strong, sustainable and inclusive growth and job creation is the key challenge faced today. This requires coordinated, ambitious, ***but above all effective*** policy action both on Union and national level, in line with the provisions of the Treaty and the Union economic governance. Combining supply and demand side measures, these actions should encompass a boost to investment, ***particularly investment aimed at developing small and medium-sized enterprises (SMEs), micro companies, innovative start-ups and businesses promoting green employment. These actions should also include social protection measures, such as guaranteed minimum income, with the goal of fighting extreme poverty and social exclusion.***

Or. it

Amendment 11

Proposal for a decision Recital 7

Text proposed by the Commission

(7) Member States and the Union should also address the social impact of the crisis and aim at building a cohesive society in which people are empowered to anticipate and manage change, and can actively participate in society and the economy. Access and opportunities for all should be ensured and poverty and social exclusion reduced, in particular by ensuring an effective functioning of labour markets and social welfare systems and removing barriers to labour market participation. Member States should also make sure that the benefits of economic growth reach all citizens and all regions.

Amendment

(7) Member States and the Union should also address the social impact of the crisis ***by providing reliable figures on extreme poverty***, and aim at building a cohesive society in which people are empowered to anticipate and manage change, and can actively participate in society and the economy. Access and opportunities for all should be ensured and poverty and social exclusion reduced, in particular by ensuring an effective functioning of labour markets ***which operate independently of the wage-productivity paradigm*** and social welfare systems and removing barriers to labour market participation. Member States should also make sure that the benefits of economic growth reach all citizens and all regions.

Or. it

Amendment 12

Proposal for a decision Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) The European Court of Auditors has identified three risks to the successful implementation of the Youth Guarantee initiative: adequacy of total funding, the definition of a 'good quality offer', and the way the Commission monitors and

reports on the results of the scheme.

Or. it

Amendment 13

Proposal for a decision Recital 7 b (new)

Text proposed by the Commission

Amendment

(7b) Decision 2010/707/EU listed the following goals: to raise the employment rate for women and men aged 20-64 to 75 % by 2020, to reduce drop out rates to less than 10 % and to increase the share of 30-34 year-olds having completed tertiary or equivalent education to at least 40 %, in addition to promoting social inclusion, in particular through the reduction of poverty by aiming to lift at least 20 million people out of the risk of poverty and exclusion. It would therefore be appropriate to reaffirm these goals.

Or. it

Amendment 14

Proposal for a decision Recital 8

Text proposed by the Commission

Amendment

(8) Action in line with the guidelines is an important contribution to reaching the goals of the Europe 2020 strategy. The guidelines constitute an integrated set of European and national policies, which Member States and the Union should

(8) Action in line with the guidelines is an important contribution to reaching the goals of the Europe 2020 strategy, ***goals which have, to date, largely not been achieved precisely because little consideration has been made for the***

implement in order to achieve the positive spill-over effects of coordinated structural reforms, an appropriate overall economic policy mix and a more consistent contribution from European policies to the Europe 2020 strategy's objectives.

impact of the crisis on employment and social exclusion. The guidelines constitute an integrated set of European and national policies, which Member States and the Union should implement in order to achieve the positive spill-over effects of coordinated structural reforms, an appropriate overall economic policy mix and a more consistent contribution from European policies to the Europe 2020 strategy's objectives.

Or. it

Amendment 15

Proposal for a decision Recital 10

Text proposed by the Commission

(10) The broad guidelines for economic policies give guidance to the Member States on implementing reforms, ***reflecting interdependence. They are in line with the Stability and Growth Pact. The guidelines*** should form the basis for country-specific recommendations that the Council may address to the Member States.

Amendment

(10) The broad guidelines for economic policies give guidance to the Member States on implementing reforms ***and*** should form the basis for country-specific recommendations that the Council may address to the Member States.

Or. it

Amendment 16

Proposal for a decision Annex – Guideline 5 – paragraph 1

Text proposed by the Commission

Member States should facilitate job

Amendment

Member States should ***effectively and***

creation, reduce barriers for business to hire people, promote entrepreneurship and in particular support the creation and growth of small enterprises in order to increase the employment rate of women and men. Member States should also actively promote the social economy and foster social innovation.

promptly tackle the serious issue of unemployment, as well as facilitate sustainable and quality job creation, reduce barriers for business to hire people, promote entrepreneurship, ***green employment***, and in particular support the creation and growth of small enterprises in order to increase the employment rate of women and men. Member States should also actively promote the social economy and foster social innovation.

Or. it

Amendment 17

Proposal for a decision Annex – Guideline 5 – paragraph 2

Text proposed by the Commission

The tax burden should be shifted away from labour to other sources of taxation that are less detrimental to employment and growth while protecting revenue for adequate social protection and growth enhancing expenditures. Reductions in labour taxation should be aimed at the relevant components of the tax burden and at removing barriers and disincentives to labour market participation, in particular for those furthest away from the labour market.

Amendment

The tax burden should be shifted away from labour to other sources of taxation that are less detrimental to employment and growth, ***including taxation of high earners, on unearned income and the use of fossil fuels***, while protecting revenue for adequate social protection and growth enhancing expenditures. Reductions in labour taxation should be aimed at the relevant components of the tax burden and at removing barriers and disincentives to labour market participation, in particular for those furthest away from the labour market.

Or. it

Amendment 18

Proposal for a decision Annex – Guideline 5 – paragraph 3

Text proposed by the Commission

Member States should, together with the social partners, encourage wage-setting mechanisms allowing for a responsiveness of wages to productivity developments. In this respect, differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies **should be taken into account**. When setting minimum wages, Member States and social partners should consider their impact on in-work poverty, job creation and competitiveness.

Amendment

Member States should, together with the social partners, encourage wage-setting mechanisms allowing for a responsiveness of wages to productivity developments **and which ensure sufficient resources to satisfy those basic needs which guarantee a life of dignity, taking account of poverty indicators individual to each Member State**. In this respect, differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies **should be properly evaluated**. When setting minimum wages, Member States and social partners should consider their impact on in-work poverty, job creation and competitiveness.

Or. it

Amendment 19

**Proposal for a decision
Annex – Guideline 6 – paragraph 1**

Text proposed by the Commission

Member States should promote productivity and employability through an appropriate supply of relevant knowledge and skills. Member States should make **the necessary** investments in education and vocational training systems while improving their effectiveness and efficiency to raise the skill level of the workforce, allowing it to better anticipate and meet the rapidly changing needs of dynamic labour markets in an increasingly digital economy. Member States should step up efforts to improve access to quality adult learning for all **and implement active ageing strategies to enable longer working**

Amendment

Member States should promote **sustainable** productivity and **quality** employability through an appropriate supply of relevant knowledge and skills **made available and accessible to all**. Member States should make **effective** investments in education and vocational training systems while improving their effectiveness and efficiency to raise the **know-how and** skill level of the workforce, allowing it to better anticipate and meet the rapidly changing needs of dynamic labour markets in an increasingly digital economy. Member States should step up efforts to improve access to quality adult learning for all, **by**

lives.

offering retraining of skills when job losses and changes in the labour market necessitate active reintegration.

Or. it

Amendment 20

Proposal for a decision Annex – Guideline 6 – paragraph 2

Text proposed by the Commission

High unemployment should be tackled and long-term unemployment prevented.
The number of long-term unemployed should be significantly reduced by means of comprehensive and mutually reinforcing strategies, including the provision of specific active support to long-term unemployed to return to the labour market. The youth unemployment needs to be comprehensively addressed, including by equipping the relevant institutions with the necessary means to fully and consistently implement their national Youth Guarantee Implementation Plans

Amendment

The issue of unemployment, in particular long-term unemployment, should be resolved effectively and promptly. The number of long-term unemployed should be significantly reduced by means of comprehensive and mutually reinforcing strategies, including the provision of specific active support ***and appropriate social protection schemes*** to long-term unemployed to return to the labour market ***in an informed and responsible manner.*** The youth unemployment needs to be comprehensively addressed, including by equipping the relevant institutions with the necessary means to fully and consistently implement their national Youth Guarantee Implementation Plans ***Access to funding for those young people who choose to start a business should be facilitated by means of a wider availability of information and a reduction in excessive bureaucracy.***

Or. it

Amendment 21

Proposal for a decision Annex – Guideline 6 – paragraph 3

Text proposed by the Commission

Structural weaknesses in education and training systems should be addressed to ensure quality learning outcomes and prevent and tackle early school leaving. Member States should increase educational attainment **and** consider dual learning systems and upgrading professional training **while at the same time increase opportunities for recognising skills acquired outside the formal education system.**

Amendment

Structural weaknesses in education and training systems should be addressed to ensure quality learning outcomes and prevent and tackle early school leaving. Member States should increase **the quality of** educational attainment **by making it accessible to all**, consider dual learning systems and upgrading professional training **while ensuring, where necessary, appropriate retraining of skills and recognition of those acquired outside of the formal education system.**

Or. it

Amendment 22

Proposal for a decision

Annex – Guideline 7 – paragraph 1

Text proposed by the Commission

Member States should reduce labour market segmentation. Employment protection rules and institutions should provide a suitable environment for recruitment while offering adequate levels of protection to those in employment and those seeking employment or employed on temporary contracts or independent work contracts. Quality employment should be ensured in terms of socio-economic security, education and training opportunities, working conditions (including health and safety) and work-life balance.

Amendment

Member States should reduce labour market segmentation **by ensuring certain essential characteristics, in particular contractual solidity and strength for workers employed in primary segments of the labour market in order to tackle precarious employment, underemployment and undeclared labour.** Employment protection rules and institutions should provide a suitable environment for recruitment while offering adequate levels of protection to those in employment and those seeking employment or employed on temporary contracts or independent work contracts, **by actively involving social partners and through greater promotion of collective bargaining.** Quality employment should be ensured in terms of socio-economic security, education and training

opportunities *promoting, on the one hand, the entry of young people into the labour market and, on the other, the reintegration of long-term unemployed,* working conditions (including health and safety) and work-life balance, *by means of policies with the provision of affordable care and innovation in work organisation.*

Or. it

Amendment 23

Proposal for a decision

Annex - Guideline 7 - paragraph 1 a (new)

Text proposed by the Commission

Amendment

Access to the labour market should facilitate entrepreneurship, sustainable job creation in all sectors, including green employment, and social care and innovation.

Or. it

Amendment 24

Proposal for a decision

Annex – Guideline 7 – paragraph 3

Text proposed by the Commission

Amendment

Member States should strengthen active labour market policies by increasing their targeting, outreach, coverage and interplay with passive measures. These policies should aim at improving labour market matching and support sustainable transitions on the labour market, with public employment services delivering individualised support and implementing

Member States should strengthen active labour market policies by increasing their targeting, outreach, coverage and interplay with passive measures. These policies should aim at improving labour market matching and support sustainable transitions on the labour market, with **highly qualified** public employment services delivering individualised support

performance measurement systems. Member States should also ensure that their social protection systems effectively activate and enable those who can participate in the labour market, protect those (temporarily) excluded from the labour markets and/or unable to participate in it, and prepare individuals for potential risks, by investing in human capital. Member States should promote inclusive labour markets open to all and also put in place effective anti-discrimination measures.

and implementing performance measurement systems. Member States should also ensure that their social protection systems effectively activate and enable those who can participate in the labour market, protect those (temporarily) excluded from the labour markets and/or unable to participate in it, and prepare individuals for potential risks, by investing in human capital. ***Member States should introduce a minimum income, in order to reduce poverty and social exclusion; each Member State is obligated to set levels of minimum income proportionate to the specific socio-economic situation in the Member State in question.*** Member States should promote inclusive labour markets open to all and also put in place effective anti-discrimination measures.

Or. it

Amendment 25

Proposal for a decision Annex – Guideline 7 – paragraph 4

Text proposed by the Commission

Mobility of workers should be ensured with an aim of exploiting the full potential of the European labour market, including by enhancing the portability of pensions and the recognition of qualifications. Member States should at the same time guard against abuses of the existing rules.

Amendment

Mobility of workers should be ensured ***as an opportunity for those wishing to seek employment in other Member States, not as an obligation caused by a lack of job opportunities in their home country,*** with an aim of exploiting the full potential of the European labour market, including by enhancing the portability of pensions and the recognition of qualifications. Member States should at the same time guard against abuses of the existing rules.

Or. it

Amendment 26

Proposal for a decision Annex – Guideline 8 – paragraph 1

Text proposed by the Commission

Member States should modernise their social protection systems to provide effective, efficient, and adequate protection throughout all stages of an individual's life, ensuring fairness and addressing inequalities. There is a need for simplified and better targeted social policies complemented by affordable quality childcare and education, training and job assistance, housing support and *accessible* health care, access to basic services such as bank account and Internet and for action to prevent early school leaving and fight social exclusion.

Amendment

Member States should modernise their social protection systems to provide effective, efficient, *sustainable* and adequate protection throughout all stages of an individual's life, ensuring fairness and addressing inequalities *and ensuring active inclusion in order to eliminate poverty, in particular for people excluded from the labour market, workers and risk groups, including children, young people, the disabled and the elderly*. There is a need for simplified and better targeted social policies complemented by affordable quality childcare and education, *effective* training and job assistance, *guaranteed* housing support and *high quality* health care *accessible to all*, access to basic services such as bank account and Internet and for action to prevent early school leaving and fight social exclusion.

Or. it

Amendment 27

Proposal for a decision Annex – Guideline 8 – paragraph 2

Text proposed by the Commission

For that purpose a variety of instruments should be used in a complementary manner, including labour activation enabling services and income support, targeted at individual needs. Social protection systems should be designed in a way that facilitate take up of all persons

Amendment

For that purpose a variety of instruments should be used in a complementary manner, including labour activation enabling services and income support, targeted at individual needs. *In this respect, it is for each Member State to set levels of guaranteed minimum income*

entitled, support investment in human capital, and help prevent, reduce and protect against poverty.

proportionate to the specific socio-economic situation in the Member State in question. Social protection systems should be designed in a way that facilitate take up of all persons entitled, support investment in human capital, and help prevent, reduce and protect against poverty.

Or. it

Amendment 28

Proposal for a decision Annex – Guideline 8 – paragraph 3

Text proposed by the Commission

The pension systems should be reformed in order to secure their sustainability and adequacy for women and men in a context of increasing longevity and demographic change, including by linking statutory retirement ages to life expectancy, by increasing effective retirement ages, and by developing complementary retirement savings.

Amendment

deleted

Or. it