

# EUROPEAN PARLIAMENT

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**A5-0277/2004**

19 April 2004

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## **REPORT**

on the proposal for a Council decision on guidelines for the employment  
policies of the Member States  
(COM(2004) 239 – C5-0188/2004 – 2004/0082(CNS))

Committee on Employment and Social Affairs

Rapporteur: Marie-Thérèse Hermange

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position*  
*majority of Parliament's component Members, to reject or amend the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases covered by Articles 105, 107, 161 and 300 of the EC Treaty and Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position*  
*majority of Parliament's component Members, to reject or amend the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## PROCEDURAL PAGE

By letter of 16 April 2004 the Council consulted Parliament, pursuant to Article 128(2) of the EC Treaty, on the proposal for a Council decision on guidelines for the employment policies of the Member States (COM(2004) 239 – 2004/0082(CNS)).

At the sitting of 19 April 2004 the President of Parliament announced that he had referred the proposal to the Committee on Employment and Social Affairs as the committee responsible (C5-0000/2004).

The committee had appointed Marie-Thérèse Hermange rapporteur at its meeting of 24 September 2003.

It considered the Commission proposal and draft report at its meetings of 17/18 March 2004 and 19 April 2004.

At the latter meeting it adopted the draft legislative resolution by 13 votes to 1, with 1 abstention.

The following were present for the vote: Theodorus J.J. Bouwman, chairman; Marie-Hélène Gillig, vice-chairman; Winfried Menrad, vice-chairman; Marie-Thérèse Hermange, rapporteur, Elspeth Attwooll, Philip Bushill-Matthews, Alejandro Cercas, Harald Ettl, Anna Karamanou, Ioannis Koukiadis (for Jan Andersson), Manuel Pérez Álvarez, Herman Schmid, Helle Thorning-Schmidt, Ieke van den Burg and Anne E.M. Van Lancker.

The report was tabled on 19 April 2004.

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council decision on guidelines for the employment policies of the Member States

(COM(2004) 239 – C5-0188/2004 – 2004/0082(CNS))

### (Consultation procedure)

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2004) 239)<sup>1</sup>,
  - having regard to Article 128(2) of the EC Treaty, pursuant to which the Council consulted Parliament (C5-0188/2004),
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs (A5-0277/2004),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  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 amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

#### Amendment 1 Recital 3

(3) The examination of the Member States' National Action Plans for employment contained in the Joint Employment Report 2003-2004 shows that Member States and the social partners should give priority to increasing adaptability of workers and enterprises; attracting more people to enter and remain on the labour market and making

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<sup>1</sup> Not yet published in OJ.

work a real option for all; investing more and more effectively in human capital and lifelong learning; and ensuring effective implementation of reforms through better governance. These priorities are fully consistent with and can be pursued in the context of the current Guidelines.

work a real option for all; investing more and more effectively in human capital **as well as in research and development** and lifelong learning; and ensuring effective implementation of reforms through better governance. These priorities are fully consistent with and can be pursued in the context of the current Guidelines.

Amendment 2  
Recital 6 (new)

***(6) The important conclusions of the Employment Task Force must be taken on board by Member States when implementing the employment guidelines; namely with a view in particular to improving the adaptability of workers and attracting and retaining more people in the work place and investing in skills and lifelong learning. These conclusions must be incorporated instead of continually setting new objectives or amending existing ones. In such a way, the EU should confront Member States when they underperform and urge Member States to focus on implementation of what has already been agreed.***

Amendment 3  
Recital 7 (new)

***(7) The European Employment Strategy requires enhanced and better democratic involvement. To succeed in this, concrete actions are required by governments to mobilise the support and participation of the various stakeholders, and secure public conviction in the need for reforms. Also, more efforts should be made to demonstrate to the general public why reform is necessary and why it is in the interest and advantage of all.***

Amendment 4  
Recital 8 (new)

***(8) Member States' performance in the  
Employment guidelines must be assessed  
and measured in a rigorous fashion so as to  
ensure watertight validity and reliability of  
the Guidelines.***

## EXPLANATORY STATEMENT

### EMPLOYMENT: A EUROPEAN AMBITION

The European employment strategy launched at the Luxembourg Employment Summit in 1997 aims to achieve the objective defined at the Lisbon European Council of March 2000 as turning the European Union's economy into '*the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion*'.

Despite the impressive results achieved- the creation of 6 million jobs since 1999 - Europe now has to contend with economic stagnation and two structural challenges: an increasingly volatile international situation, and an ageing population.

Against this background, the new guidelines for the 2003-2006 period established three objectives:

- to aim for **full employment**
- to improve the **quality and productivity of work**
- to strengthen **social cohesion** and inclusion.

**We fully support these objectives.** We shall not comment in detail on them here, since the analysis of them which has been submitted to us appears conclusive.

We should like to point out however, that those objectives must be pursued in a balanced manner, exploiting all the potential benefits of the synergies between them.

**We believe that it is important, therefore, to supplement the guidelines with a number of recommendations as to how they should be implemented:**

#### **I. ESTABLISHING A LINK BETWEEN SOCIAL POLICY AND ECONOMIC DEVELOPMENT**

##### **1. Promoting the setting up and development of enterprises**

While it is essential for public policies on employment to be accompanied by social policies that are not confined to dealing with the social consequences of unemployment but also seek to contain it, it should be stressed that employment growth requires economic growth and increased enterprise creation, with particular emphasis on SMEs.

Consequently, employment policy must primarily aim to support job creation and the Member States must aim to **allow economic initiative as much freedom as possible**.

##### **2. Activating policies to combat unemployment**

**Active policies** to end the isolation of the unemployed, with particular emphasis on measures to get unemployed people back into employment, must be chosen in preference to passive spending measures which ghettoise the unemployed by helping to create a culture of welfare

dependency and non-secure jobs.

That is why, of all the possible methods of tackling exclusion, those which concentrate on getting people into employment should be preferred. Undertakings and associations aimed at ensuring inclusion through employment have shown their ability to reach the long-term unemployed. They must be supported in their efforts to strengthen their links with employers and industry and to gear their activities towards innovative and profitable sectors of the economy.

### **3. Exploiting the dynamism of the regions**

Equal attention should be devoted to developing all the regions; although it is essential for less-favoured regions to receive support, in particular through the Structural Funds, this process should not be detrimental to more dynamic regions, and thereby possibly destabilise them.

## **II. CHOOSING CHANGE**

### **1. Improving the capacity of firms and their employees to respond to change**

To encourage a climate of economic dynamism, at national level as at European level, Member States and the Union must support, and if necessary finance, networks and partnerships linking research centres, universities, business and public authorities and draw up common standards to promote the mobility of research staff and transnational cooperation.

Finally, firms must be encouraged to invest in research by appropriate fiscal measures at national level.

### **2. Improving the quality of life-long training**

Although the competitiveness of our economy and the quality of the goods and services we produce demand high levels of skills and knowledge, an increasing number of young people are leaving school without qualifications and without having acquired useful skills. Adult training offers those who left the education system prematurely an opportunity to make progress in their professional lives, acquire new qualifications and adapt to new jobs. Life-long training policies are not new in Europe; they have not yet reached their full potential, however, and are often unambitious and inconsistent.

This being so,

- at **national level**, Member States must both continue to step up their efforts to provide **consistent and high-quality life-long training**, and to improve the results achieved by education systems (from primary school to university entrance level);
- at **European level**, that policy must also be encouraged by ensuring increasingly effective up-take of instruments already available (SOCRATES, ERASMUS MUNDAS and now EUROPASS).

### **III. MOBILISING THE WORKING POPULATION WITHOUT EXCLUDING ANYONE**

#### **1. Making youth employment a major European cause**

The social and economic cost of youth employment is considerable. Member States must regard young workers' access to employment, whatever their level of education and qualifications, as an absolute priority. They must apply all measures they can - including exemptions from contributions or tax incentives, as well as the development of sponsorship networks - to **facilitate access by young people to their first job**.

#### **2. Increasing women's employment**

Action to combat pay discrepancies and obstacles to women's career prospects must be supplemented by measures to ensure **that all jobs are open to women** and encourage young women to consider jobs which have traditionally been reserved for men.

Further measures must be taken in the field of childcare, but also to assist women to return to work after a break and to enable women to combine family life and a career, either simultaneously or successively.

#### **3. Ensuring long-term vacancies are filled**

Even though the Member States are still far from achieving full employment, **a significant number of vacancies continue to be unfilled for long periods**.

To ensure these long-term vacancies are filled, Europe must embark on an ambitious policy to improve the attractiveness of the economic sectors concerned, offer job seekers appropriate training, improve the geographic and professional mobility of job seekers and ensure that vacancies and job applications are circulated and publicised more effectively.

### **IV. ENABLING EUROPE TO GIVE NEW MOMENTUM TO ECONOMIC POLICIES**

#### **1. Mobilising all policies for employment and launching a European strategy to combat de-industrialisation**

Job creation must draw on policies of every kind: fiscal policy, reduction of social charges and contributions, financial incentives, infrastructure development, education and training policies. Employment must be a priority in all fields whether in national policy, the policies of regions or other local authorities, the process of decentralisation, or international negotiations conducted by Member States or the European Community. A European plan to avoid the relocation of employment to countries outside the Union must be drawn up.

#### **2. Brave reforms needed to ensure better government**

The recommendation of the task force summed up as '**Dare to reform, the better to govern**',

like the Commission document entitled '**Achieving Lisbon**', require employment policy to be supported by all players concerned.

For this purpose, a distinction must be made between two separate but nevertheless complementary levels:

- **national level**, where Member States are expected to ensure implementation of employment guidelines. It is there that the services of all the players concerned must be enlisted: **national parliaments, regional and local players, social partners, trade unions and associations**, in a coordinated effort to support partnerships at all levels;
- **European level**: this makes its presence felt through the financing it delivers by way of a dynamic of assistance rather than in a culture of growth and economic development. That is why, in the framework of reform of the financial perspective, it seems that in order to achieve the Lisbon objectives **greater flexibility**, not to say a new partnership, should be introduced into Community financing. Europe must take care **not to further complicate** the Member States' public policies, but rather to **facilitate** their implementation.

In that spirit, it must be made possible for **access to the structural funds**, which are pursuing common objectives - reducing disparities in living standards between regions and sections of the population, and promoting economic and social cohesion in Europe - to be facilitated and made more transparent to our fellow citizens. It must also be made possible for connections between different forms of financing to be established, to the benefit of the priorities set out in the guidelines, as, for example, between the European Social Fund, the European Regional Development Fund and the Research Framework Programme, which would bring greater efficiency to these extremely vital and useful sources of Community support.

In the same spirit, **Article 6 of the European Social Fund**, which supports innovative measures to promote new approaches and identify examples of good practice, must be encouraged.

Your rapporteur also proposes setting up a **new scheme to create incentives by launching thematic initiatives** supporting the ten action priorities in the spirit of certain existing Community programmes, in particular EQUAL, which is aimed at combating the discrimination and inequality to which workers and job-seekers are subjected.

Such Community initiatives, extremely useful as they are in boosting job-creation policies, can enable Europe both to raise awareness of the many tools it puts at the disposal of Member States and to assume a profile as a **project initiator**, which will of course be vitally necessary if the Lisbon guidelines and objectives are to be realised as a coherent whole.