

EUROPEAN PARLIAMENT

1999



2004

Session document

FINAL
A5-0341/2000

21 November 2000

REPORT

on the Commission communication 'Acting locally for employment - a local dimension for the European employment strategy'
(COM(2000) 196 – C5-0597/2000 – 2000/2275(COS))

Committee on Employment and Social Affairs

Rapporteur: Fiorella Ghilardotti

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PROCEDURAL PAGE

By letter of 7 April 2000, the Commission forwarded to Parliament a communication on 'Acting locally for employment - a local dimension for the European employment strategy' (COM(2000) 196 – 2000/2275(COS)).

At the sitting of 29 November 2000 the President of Parliament will announce that she had referred the communication to the Committee on Employment and Social Affairs as the committee responsible and the Committee on Regional Policy, Transport and Tourism for its opinion (C5-0597/2000).

The Committee on Employment and Social Affairs had appointed Fiorella Ghilardotti rapporteur at its meeting of 21 June 2000.

The committee considered the Commission communication and the draft report at its meetings of 11 October and 6/7 November 2000.

At the last meeting it adopted the motion for a resolution unanimously with 1 abstention.

The following were present for the vote: Michel Rocard chairman; Marie-Thérèse Hermange, vice-chairman; Fiorella Ghilardotti, rapporteur; Sylviane H. Ainardi, Jan Andersson, María Antonia Avilés Perea, Regina Bastos, Philip Rodway Bushill-Matthews, Chantal Cauquil (for Arlette Laguiller), Luciano Emilio Caveri, Proinsias De Rossa, Jillian Evans, Carlo Fatuzzo, Ilda Figueiredo, Marie-Hélène Gillig, Anne-Karin Glase, Koldo Gorostiaga Atxalandabaso, Roger Helmer (for Raffaele Lombardo), Richard Howitt (for Harald Ettl), Ian Stewart Hudghton, Stephen Hughes, Anne Elisabet Jensen (for Luciana Sbarbati), Ioannis Koukiadis, Jean Lambert, Elizabeth Lynne, Mauro Nobilia, Manuel Pérez Álvarez, Bartho Pronk, Ulla Margrethe Sandbæk (for Jean-Louis Bernié), Herman Schmid, Ilkka Suominen, Helle Thorning-Schmidt, Ieke van den Burg and Barbara Weiler.

The Committee on Regional Policy, Transport and Tourism decided not to deliver an opinion.

The report was tabled on 21 November 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

MOTION FOR A RESOLUTION

European Parliament resolution on the Commission communication 'Acting locally for employment - a local dimension for the European employment strategy' (COM(2000) 196 – C5-0597/2000 – 2000/2275(COS))

The European Parliament,

- having regard to the Commission communication (COM(2000) 196 – C5-0597/2000¹),
- having regard to the White Paper on 'Growth, competitiveness, employment – the challenges and ways forward into the 21st century' (COM(93) 0700²),
- having regard to the Commission communication on 'a European strategy for encouraging local development and employment initiatives' (COM(1995) 273³) and the two Commission reports on local development and employment initiatives (SEC(1996) 2061⁴ and SEC(1998) 0025⁵),
- having regard to the Commission's second progress report on the territorial pacts for employment (SEC(1999) 1932⁶) and the Commission's working document entitled 'Guide to territorial pacts for employment 2000-2006' (SEC(1999) 1933⁷),
- having regard to Council Regulation (EC) No 1260/1999 of 21 June 1999⁸ laying down general provisions on the Structural Funds, Regulation (EC) No 1784/1999⁹ of the European Parliament and of the Council of 12 July 1999 on the European Social Fund and the Commission communication entitled 'The Structural Funds and their coordination with the Cohesion Fund – Guidelines for programmes in the period 2000-2006' (COM(1999) 344¹⁰),
- having regard to the proposal for a Council Decision on guidelines for Member States' employment policies for the year 2001 (COM(2000) 548¹¹),
- having regard to the conclusions of successive European Councils concerning new sources of employment and local employment initiatives, in particular the European Council meetings of 9 and 10 December 1994 in Essen, of 21 and 22 June 1996 in Florence and of 20 and 21 November 1997 in Luxembourg,

¹ not published in OJ.

² not published in OJ

³ not published in OJ

⁴ not published in OJ

⁵ not published in OJ

⁶ not published in OJ

⁷ not published in OJ

⁸ OJ L 161, 26.6.1999, p.1.

⁹ OJ L 213, 13.8.1999, p. 5

¹⁰ not published in OJ

¹¹ not published in OJ

- having regard to Rule 47(1) of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A5-0341/2000),
- A. whereas within the global information society the economy is undergoing far-reaching changes as a result of investment mobility, the use of new information and production technologies and the emergence of a knowledge-based society,
 - B. whereas, at the same time, changes in population trends and living patterns have contributed to the emergence of new demands, particularly with regard to day-to-day services and in areas such as leisure and cultural activities, the environment and housing,
 - C. whereas these globalisation trends and the appearance of sources of new jobs represent challenges and, at the same time, job creation opportunities at local level; whereas local bodies play a very important role in job creation both because they are close to job seekers and because they have a better understanding of local needs and handicaps and the ways to tackle them,
 - D. whereas local employment has to be based on a sustainable economy, i.e. the careful stewardship of natural resources and decent environmental conditions,
 - E. whereas new environmentally friendly fields in local employment could be built in the social economy, new neighbourhood services, the regeneration of cities as well as in environmental protection,
 - F. whereas the European Union has already been equipped with instruments specifically designed to promote local job creation, but whereas it is now necessary to concentrate these efforts and to take greater account of the territorial dimension in all Union employment policy initiatives,
 - G. whereas projects set up as part of local development and employment initiatives and territorial employment pacts have had a considerable impact on job creation; whereas the increase in the employment rate recorded in Third System organisations is much higher than in the European economy as a whole,
 - H. whereas local initiatives are, by their integrated nature, a particularly suitable means of promoting the integration of groups threatened with social exclusion and of reclaiming and subsequently integrating those manifestly suffering social exclusion as well as those who in general are socially marginalised, for example adults who have lost their job, young people who have not found their first job, and the like,
 - I. whereas an assessment of these initiatives shows that the success of local initiatives lies in the establishment of partnerships that are both efficient and broad-based, including all those working on the ground, in particular local authorities, businesses, the third system, local agencies, public employment services and the social partners,
 - J. whereas the success of local employment initiatives also depends on the capacity to adopt integrated strategies based on an analysis of actual needs and skills at local level, financial resources in line with local needs and adequate and stable support structures,

- K. whereas the development of integrated local strategies often comes up against a lack of national or regional legislative and administrative provisions promoting local initiative or practices which, in some cases, favour large-scale companies,
- L. whereas European programmes in support of local initiatives by small NGOs, which, more often than not, do not have substantial cash resources, are less easy to implement on account of the difficulties in obtaining the bank guarantee required by the Commission, the usefulness of which is not immediately obvious; whereas this situation results in discrimination between large and small NGOs, running counter to the desire to foster civil society,
- M. whereas, in addition to targeting resources available from the Structural Funds, steps must be taken, with the cooperation of central and regional authorities, to set up financial instruments geared towards local development,
- N. whereas the European Union is responsible for supporting national employment policies through initiatives aimed at developing exchanges of information and best practice, by promoting innovative approaches and evaluating experiences,
- O. whereas the European Parliament has made a significant contribution to the development of a policy to promote local employment initiatives, in particular by introducing budgetary lines to fund pilot projects in this area and in its capacity as co-legislator with respect to Structural Funds,
1. Welcomes the Commission communication which not only provides a framework for debate on local development prospects but also constitutes a practical tool for those working on the ground;
 2. Welcomes the Commission's proposal to increase references to local initiatives in the employment guidelines and calls for this new priority to be reflected in closer and wider ranging involvement of regional and local authorities in the establishment of national employment plans; calls also for cooperation and information flows to be improved at national level with regard to the European Structural Funds;
 3. Calls on the Member States to step up their efforts to remove structural obstacles in accordance with the employment guidelines and to initiate an in-depth discussion on the breakdown of responsibilities and powers between central government and regional and local authorities in the field of employment; warns, however, against any attempt to break up the employment market into compartmentalised regional labour markets, using subsidiarity as a pretext; recognises that, in job creation policies, contributions need to be and should be made by all parties at all levels; considers, therefore, that all efforts and contributions must be coordinated, since this will enhance the effectiveness of job creation measures;
 4. Calls on the Member States to indicate in their national employment plans how far regional and local authorities are involved and to what extent responsibilities and powers have been shared between central and local government with a view to implementing employment strategy;

5. Regrets that the European employment strategy is not yet sufficiently known at regional and local level; points out that the European Parliament has launched the 'local action for employment' project, whose main aim is to increase awareness of the relevant issues among those working on the ground; also supports the idea of designating a European Local Development Year;
6. Welcomes the Commission's involvement of the municipal authorities, through their national and European associations, in the drafting of this communication and believes that this process and dialogue should be developed further with a view to creating cohesion between the relevant local and regional authorities and the efforts of the Union's institutions, thereby achieving the greatest possible impact in terms of job-creation;
7. Welcomes the fact that the new generation of Structural Funds, in particular the Social Fund, take due account of the territorial dimension of employment, in particular by supporting local initiatives and the territorial employment pacts as well as establishing risk capital schemes for social purposes; regrets, on the other hand, that the financial package set aside to support innovative approaches has been reduced;
8. Hopes that, when requiring them to furnish the bank guarantees to which payment of the subsidies that it grants is subject, the Commission will be more flexible in relation to small voluntary organisations so as to ensure that they are not excluded from European programmes;
9. Calls for a clear distinction to be established – given the wide range of political instruments at European level – between experimental instruments, mainstream instruments and methodological instruments; calls for this distinction to be reflected in the Commission's internal management structures since experimental initiatives require more flexible selection procedures and extra resources for analysis and evaluation of results;
10. Suggests, in this context, that the methodological and awareness-raising measures for the implementation of an employment development strategy at local level be concentrated in future on the programme of 'employment incentive measures', based on Article 129 of the Treaty;
11. Notes with satisfaction that the territorial pacts for employment genuinely enhance the implementation of the Structural Funds through their capacity to mobilise exceptional public and private co-funding, and welcomes the fact that, according to preliminary results, they will eventually create 55,000 jobs;
12. Calls on the Commission to encourage partners in the territorial pacts to give added emphasis to qualitative and long-term approaches in future; recalls the considerable importance of an in-depth qualitative assessment of results and advocates increasing exchanges of experience both between the pacts themselves and between them and all the regions affected by the measures;
13. Believes that regional and local authorities, in their dual capacity as regulators and economic entities and because they are in close touch with, and hence have a better understanding of, the real situation in every locality or area, have a key role in promoting local employment; suggests that, for the purposes of mainstreaming, such authorities

should from time to time hold joint conferences of regions and cities and set up coordination units at all levels to ensure that their action is compatible with the aim of job creation; calls on the Member States to provide training for local elected representatives and officials in this respect;

14. Believes that such training should also be available for other actors including voluntary organisations in order to develop their capacity and effectiveness;
15. Believes that greater efforts are needed to encourage businesses to become involved in innovative initiatives at local level, by means of financial incentives or greater public visibility of businesses which decide to take action in this respect;
16. Believes that, in the face of economic globalisation, new technologies and the modernisation of the labour market, closer cooperation and efforts to achieve synergy between local businesses are a vital means of guaranteeing competitiveness; considers, moreover, that regional and local bodies should consequently conduct information, awareness, and promotion campaigns not just to encourage joint ventures, but also to enable local integrated networks to be brought into being at the practical level;
17. Calls on the social partners to support efforts to devise suitable solutions at local level, in particular through negotiations on atypical forms of work, such as multiple employment, and the provision of regional and local back-up structures; calls on Member States to give timely and useful effect to experimental initiatives undertaken by the social partners in predetermined areas suffering severe socio-economic hardships with a view to revitalising the regions concerned and promoting new employment;
18. Stresses the important role of SMEs in implementing local employment strategies and believes that large undertakings can, in addition to their important contribution to the economy and the local employment market, make a vital contribution to a local strategy, e.g. by sponsoring other companies;
19. Believes that local employment structures should become genuine partners in a proactive local strategy by taking part in experiences involving other public administrations, companies or associations and encouraging initiatives taken by the unemployed;
20. Calls for Internet sites to be set up and operated at local level with a view to matching the demand for jobs with supply in given regions, and for local public bodies on the one hand and workers' trade union and employers' representatives on the other to be involved in that process;
21. Calls on the Member States to support the development of the third system, in particular by adapting training and consolidating new occupations, as well as through appropriate fiscal and legislative measures, in particular by renewing the legal framework and thereby facilitating the appearance of new forms of entrepreneurship and links between public and private sectors;
22. Is in favour of experimenting with new financial instruments such as service vouchers, local unit trusts and risk capital for social purposes, and reforming certain public expenditure rules to take account of the real value of services provided by the social

economy;

23. Instructs its President to forward this resolution to the Commission, the Council, the Member States, the social partners and the Committee of the Regions.