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**A5-0360/2001**

17 October 2001

## REPORT

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1. on the proposal for a Council decision on Guidelines for Member States' employment policies for the year 2002  
(COM(2001) 511 – C5-0498/2001 – 2001/0208(CNS))

and

2. on the Commission communication on the Draft Joint Employment Report 2001  
(COM(2001) 438 – C5-0423/2001 – 2001/2168(COS))

Committee on Employment and Social Affairs

Rapporteur: Barbara Weiler

Draftsman(\*): Maj Britt Theorin, Committee on Women's Rights and Equal Opportunities

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(\*) Hughes procedure

### ***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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(*)Hughes procedure	

## PROCEDURAL PAGE

By letter of 17 October 2001 the Council consulted Parliament, pursuant to Article 128(2) of the EC Treaty, on the proposal for a Council decision on Guidelines for Member States' employment policies for the year 2002 (COM(2001) 511 - 2001/0208 (CNS)).

At the sitting of 22 October 2001 the President of Parliament will announce that she had referred this proposal to the Committee on Employment and Social Affairs as the committee responsible and the Committee on Women's Rights and Equal Opportunities, the Committee on Economic and Monetary Affairs, the Committee on Culture, Youth, Education, the Media and Sport and the Committee on Industry, External Trade, Research and Energy for their opinions (C5-0498/2001).

By letter of 13 September 2001 the Commission forwarded to Parliament a communication on the Draft Joint Employment Report 2001 (COM(2001) 438 – 2001/2168 (COS)).

At the sitting of 1 October 2001 the President of Parliament announced that she had also referred the Commission communication to the Committee on Employment and Social Affairs as the committee responsible and the Committee on Women's Rights and Equal Opportunities, the Committee on Economic and Monetary Affairs, the Committee on Culture, Youth, Education, the Media and Sport and the Committee on Industry, External Trade, Research and Energy for their opinions (C5-0423/2001).

At the sitting of 4 October 2001 the President announced that this report should be drawn up in accordance with the Hughes Procedure by the Committee on Women's Rights and Equal Opportunities.

The Committee on Employment and Social Affairs had appointed Barbara Weiler rapporteur at its meeting of 11 September 2001.

It considered the Commission proposal, the Draft Joint Employment Report and the draft report at its meetings of 20 September and 8/9 October 2001.

At the latter meeting it adopted the draft legislative resolution and the motion for a resolution by 34 votes with 10 abstentions.

The following were present for the vote: Michel Rocard, chairman; Winfried Menrad and José Ribeiro e Castro, vice-chairmen; Barbara Weiler, rapporteur; Jan Andersson, Maria Antonia Avilés Perea, Regina Bastos, Roberto Felice Bigliardo, Theodorus J.J. Bouwman (for Jillian Evans), André Brie (for Sylviane H. Ainardi), Philip Bushill-Matthews, Luciano Caveri, Alejandro Cercas, Luigi Cocilovo, Harald Ettl, Carlo Fatuzzo, Ilda Figueiredo, Hélène Flautre, Fiorella Ghilardotti, Marie-Hélène Gillig, Anne-Karin Glase, Richard Howitt (for Elisa Maria Damião), Stephen Hughes, Anne Elisabet Jensen (for Daniel Ducarme), Ioannis Koukiadis, Rodi Kratsa-Tsagaropoulou, Jean Lambert, Elizabeth Lynne, Thomas Mann, Mario Mantovani, Manuel Medina Ortega (for Proinsias De Rossa), Claude Moraes, Mauro Nobilia, Manuel Pérez Álvarez, Bartho Pronk, Tokia Saïfi, Herman Schmid, Peter William Skinner (for Karin Jöns), Miet Smet, Ilkka Suominen, Helle Thorning-Schmidt, Ieke van den Burg, Anne E.M. Van Lancker and Sabine Zissener (for Raffaele Lombardo).

The opinions of the Committee on Women's Rights and Equal Opportunities and the

Committee on Economic and Monetary Affairs are attached; the Committee on Culture, Youth, Education, the Media and Sport and the Committee on Industry, External Trade, Research and Energy decided on 18 September and 10 October 2001 not to deliver an opinion.

The report was tabled on 17 October 2001.

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

## LEGISLATIVE PROPOSAL

### 1. Proposal for a Council decision on the Guidelines for Member States' employment policies for the year 2002 (COM(2001) 511 – C5-0498/2001 – 2001/0208(CNS))

The proposal is amended as follows:

Text proposed by the Commission<sup>1</sup>

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Amendments by Parliament

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#### Amendment 1 Recital 12 a (new)

***Account must be taken of the European Parliament's opinion on the guidelines for employment policies in 2002 set out in its resolution on the joint report on employment for 2001.***

#### *Justification*

*This addition is necessary so that the Council takes into account Parliament's opinion on the guidelines for employment policies for 2002 set out in its resolution on the joint report on employment for 2001.*

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

## DRAFT LEGISLATIVE RESOLUTION

### **European Parliament legislative resolution on the proposal for a Council decision on the Guidelines for Member States' employment policies for the year 2002 (COM(2001) 511 – C5-0498/2001 – 2001/0208(CNS))**

#### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2001) 511<sup>1</sup>),
  - having been consulted by the Council pursuant to Article 128(2) of the EC Treaty (C5-0498/2001),
  - having regard to Rule 67 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 Women's Rights and Equal Opportunities and the Committee on Economic and Monetary Affairs (A5-0360/2001),
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 should it intend to depart from the text approved by Parliament;
  4. Asks to be consulted again should the Council intend to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

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

## MOTION FOR A RESOLUTION

### **2. European Parliament resolution on the Commission communication on the Draft Joint Employment Report 2001 (COM(2001) 438 – C5-0423/2001 – 2001/2168(COS))**

*The European Parliament,*

- having regard to the Commission communication on the Draft Joint Employment Report 2001 (COM(2001) 438 – C5-0423/2001<sup>1</sup>),
  - having regard to the proposal for a Council decision on Guidelines for Member States' employment policies for the year 2002 (COM(2001) 511 – C5-0498/2001 – 2001/0208 (CNS)),
  - having regard to the draft recommendations to the Member States,
  - having regard to the conclusions of the European Council of 23 and 24 March 2000 in Lisbon,
  - having regard to the conclusions of the Presidency of the European Council of 7 to 10 December 2000 in Nice,
  - having regard to the conclusions of the Presidency of the European Council of 23 and 24 March 2001 in Stockholm,
  - having regard to the conclusions of the Presidency of the European Council of 15 and 16 June 2001 in Göteborg,
  - having regard to Council Decision 2001/063/EC of 19 January 2001 on guidelines for Member States' employment policies for the year 2000,
  - having regard to the communication from the Commission on Employment and Social Policies: a framework for investing in quality (COM(2001) 313<sup>2</sup>),
  - having regard to the Treaty establishing the European Community, and in particular Article 128(2),
  - having regard to Rule 47(1) 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 Women's Rights and Equal Opportunities and the Committee on Economic and Monetary Affairs (A5-0360/2001),
- A. whereas, given that the Commission has adopted and referred to Parliament the 'employment package', i.e. the proposal for a Council decision on guidelines for Member States' employment policies for the year 2002, the joint report on employment for the year 2001 and the proposal for a recommendation to the Member

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

<sup>2</sup> Not yet published in OJ.



States, Parliament takes the view that a joint consideration of the three documents is essential in order to ensure their political coherence and to this end has drawn up the following general resolution,

- B. whereas the gross national product in the European Union and the United States is forecast to grow at a perceptibly slower rate than in previous years,
- C. whereas rationalisation of the various processes involving the employment guidelines – including the European social agenda, the outlines of the economic policy of the Member States, the report on structural reforms, the macroeconomic dialogue and the annual meeting of the European Council in the spring provided for in the conclusions of the Lisbon Summit – is necessary in order to ensure a uniform commitment to economic policy, employment policy, sustainability and social policy,
- D. whereas in this connection it would be prudent to draw up an 'annual report on the economic and social state of the Union' containing the main components of the Commission analyses in the annual economic report, the report on employment and the reports on competition, economic reforms and the position of SMEs and in the scoreboard outlining progress made in implementing the social agenda,
- E. whereas the involvement of the Council of Employment and Social Affairs Ministers in drawing up macroeconomic guidelines and the involvement of the Ecofin Council in drawing up employment guidelines would ensure greater consistency of the EU's economic and employment policies,
- F. whereas a common approach to drawing up economic and employment policy guidelines must not lead to a situation in which labour market considerations are subordinated to economic policy; whereas labour market issues should be dealt with within the framework of employment guidelines,
- G. having regard to quantitative targets adopted by the European Council at its summit meetings in Lisbon, Stockholm and Nice, and which are strongly supported by the European Parliament,

### **General economic background**

- 1. Takes the view that the social market economy which forms the basis of a proven economic and social system combining freedom and responsibility provides the right framework for the European Union's economic policy; the social market economy should therefore be adopted as the norm with regard to the European Union's economic and monetary policy and should be embodied in the Treaty at the forthcoming intergovernmental conference;
- 2. Points out that price stability, sound budgetary policies and resulting low long-term interest rates stimulate investment and hence generate sustainable employment; accordingly takes the view that the provisions of the Stability and Growth Pact should be steadfastly adhered to;
- 3. Stresses that competition between companies is central to the social market economy; points out, however, that this can only have positive social consequences if it is not

distorted as a result of monopolies and concerted practices or by inappropriate state aids; accordingly supports the European Union's competition policy; takes the view, however, that, with a view to the upcoming intergovernmental conference, democratic control through the codecision procedure remains necessary when general competition policy rules are established;

## **Guidelines for the year 2002**

### ***Horizontal objectives***

4. Confirms that full employment is a priority objective of the economic, employment and social policy strategy pursued by the EU and stresses that this objective can only be attained if in addition to comprehensive and effective implementation of the policies incorporated in the four pillars of the Luxembourg strategy there is also an efficient and coherent macroeconomic policy mix, progress in structural reforms, investments in training and further education, research and innovation to promote the competitiveness of the system and an active social state to develop policies based on integration and that will protect the weaker elements in society;
5. Insists on the need to adopt European and national targets linked to precise indicators to measure and monitor Member States' performance in implementing the Employment Guidelines; points out that it would be appropriate in some cases to adopt concrete quantitative targets to monitor not only policy goals but also the measures and the financial means to reach such goals;
6. Supports the intention of the Council Presidency to scrutinise all employment policy measures to determine whether they contribute to improvements in the quality of employment, both with reference to the specific characteristics of the work performed and in the context of the labour market and the workplace (in other words, introducing quality mainstreaming), and welcomes the introduction of a new horizontal objective with the same title in the guidelines; calls for the concept of 'quality' rapidly to be put into practice by way of European and national indicators;
7. Calls for overall consistency with the above objective to be guaranteed in relation to other European Union instruments and initiatives (directives, open coordination, social dialogue and individual programmes, in particular those falling within the scope of the ESF);

### **First Pillar: Improving employability**

8. Endorses the call to the Member States to promote the access of more people to training and further vocational training and to ensure lifelong education; reiterates the need to set quantitative objectives, to encourage training in entrepreneurship and deadlines within which training opportunities should be offered to unemployed persons;
9. Calls on Member States fundamentally to assess their policy on employability in relation to the long-term character of the measures adopted and the quality of individual trajectories leading to entry to the labour market;

10. Proposes, in this connection, that Member States should give each employee and job seeker a legal right to vocational further training; urges the Member States to create an appropriate legal framework for this right in consultation with the social partners; calls on the social partners to negotiate on a European framework agreement;
11. Endorses the Commission's call on Member States to facilitate the access of women to lifelong learning and in particular to IT training, and to promote participation by women in all levels of education and training; stresses in this respect the need to establish national targets for female participation rates in all levels of education and training; invites therefore the Member States to evaluate regularly the impact of their policies in this field; recalling the decision of the Stockholm Summit that special attention must be given to encouraging women to engage in scientific and technical studies, calls on the Commission to investigate the reasons for the discrepancy between the number of women graduating in scientific disciplines and the number who are successful in obtaining professional posts.
12. Endorses the proposal for guidelines for promoting the continued presence or reinsertion of older employees in the labour market, offering incentives and improving the framework conditions, using a coordinated set of instruments, including: opportunities for continuing education and re-training; experimenting with flexible working arrangements and introducing models of part-time working for older workers, and welcomes in this connection the specific target of the European Council to increase the employment rate among older workers to 50%; considers that the above must be done in consultation with the social partners and by making use of a coordinated package of instruments;
13. Welcomes the guideline aimed at combating all forms of discrimination in access to general and vocational training; calls on the Council, the Commission and the Member States to adopt appropriate measures to safeguard the application of EU policy promoting the vocational and social integration of immigrants, particularly women, who face problems with access to the labour market;
14. Welcomes any measure designed to promote geographical mobility, provided this is based on the voluntary decision of the worker, taking into account that the priority should be the commitment to reduce regional imbalances;
15. Calls on the Commission and the Member States to adopt specific policies and measures towards economic and social cohesion in regions whose development is lagging behind or regions with areas facing structural difficulties, aimed at increasing investments in infrastructures, in supporting SMEs, research and development, training and life-long learning, and at reducing non-wage labour costs;

## **Second Pillar: Development of entrepreneurship and job creation**

16. Calls on the Member States to carry out more stringent controls on moonlighting; calls on the Commission and the Council to further extend the guideline containing measures to combat unofficial employment; suggests that it should contain practical measures concerning tax and social security systems as possible incentives for transforming these irregular forms of employment into official employment; considers that all measures in the Member States should be taken in consultation with the social partners;
17. Calls on the Member States in cooperation with employers' organisations to publicise the significance of independent activity on a voluntary basis and responsible entrepreneurship;
18. Calls on the Member States to support job creation in the non-profit sector, the social economy, ecological production and services, local and regional employment initiatives more strongly; calls on the Commission to give this aspect of the second pillar of the European Employment Strategy much higher priority;
19. Encourages the Member States to promote closer cooperation between undertakings and universities, in order to ensure more efficient knowledge transfer, to initiate rapid entrepreneurial innovation and to enhance competitiveness;
20. Takes the view that today knowledge is the key to prosperity and employment and that investment in education, research and development is therefore of fundamental importance; therefore considers it urgently necessary to improve as well the framework conditions for private investment in research and development, for example through the creation of a Europe-wide and affordable patent;
21. Considers it essential to ensure that small and medium-sized companies, which employ two-thirds of the total work force, have easier access to funding and urges that the directive regarding the capital and reserves of banks (Basle II) drawn up by the Basle Banking Supervisory Committee should not lead to more costly credit terms for small and medium-sized businesses;
22. With a view to reducing taxes affecting labour, calls on the Member States to make greater use of the possibility of applying reduced VAT rates to labour-intensive services, for example the catering and crafts sector;
23. Takes the view that tax and welfare benefit arrangements must be such as to stimulate active job-seeking;
24. Strongly supports the Commission's call to Member States to review tax and benefit disincentives which have a negative impact on women's participation in the labour market, and to pay attention to obstacles which hinder women who wish to set up businesses and become self-employed; in this respect, stresses the importance, not merely of reviewing, but of adopting specific measures aiming to support and encourage these women by: (a) reducing burdens on businesses at the start-up stage and simplifying the formal procedures required, and (b) establishing funds to stimulate the establishment of new businesses, and offer advice, training courses and technical

assistance, as well as extending such assistance to businesses where there is scope for further development of investment, and (c) making it easier at local level for women to obtain access to and information about existing subsidised programmes;

### **Third Pillar: Promoting the adaptability of undertakings and their employees**

25. Calls on the social partners to negotiate agreements to modernise labour organisations at all appropriate levels (European, national, sectoral, local and company levels); considers such agreements to be a means to increase both the quality of a job and the competitiveness of the undertakings concerned; takes the view that such agreements should consider all possible forms of working hours and labour organisation;
26. Considers that more flexible forms of employment contracts are only acceptable if they give workers sufficient security; points in this connection to the positive contribution which temporary employment agencies can make, providing that activities are regulated and regularly monitored so as to provide workers with sufficient protection; calls also on the European Commission to submit a proposal for a directive based on the principle that temporary workers should receive the same treatment as those in regular employment with the firms making use of their services;
27. Urges a constructive interpretation of the concept of 'flexibility' whereby it would be made easier for workers to combine work, training and private life more effectively with each other; calls on the European Commission and the social partners to engage in a searching exchange of views in that connection;
28. Calls on the Member States to carry out more consistent controls on the application of health and labour prevention and protection rules; calls therefore on the Member States to lay down specific quantitative objectives to reduce the number of industrial accidents and the incidence of occupational diseases, with reference not only to traditional risks, but also to new ones such as stress, burn-out syndrome and muscular skeletal disorders;

### **Fourth Pillar: Strengthening measures to promote equal opportunities for men and women**

29. Highlights that the average employment rate for women is more than 18 percentage points below the male rate, that labour market segregation remains large, and that women are paid on average 76% of men's hourly wages; regrets therefore that Member States in 2001 placed less emphasis on the Equal Opportunities Pillar in their NAPs compared to the previous year, and that a coherent and comprehensive strategy for the implementation of gender mainstreaming across all four Pillars is still lacking in many Member States;
30. Highlights that women are over-represented in part-time, precarious and low-skills positions; in this respect supports the new objective across all the Pillars of the Guidelines to promote high-quality jobs; regrets, however, that the Guideline proposal does not specifically discuss actions to give women a more varied range of employment choices, with better wages and with all their rights being guaranteed; calls in this respect on the Member States to step up actions to create better jobs, better working conditions, and higher job satisfaction among women, which will dissuade

them from giving up their jobs and, frequently, placing themselves in social isolation.

31. Encouraged by the innovative approaches adopted by some Member States to diminish gender segregation in the employment market, regrets, however, that there are no improvements in gender segregation from last year and that there are hardly any new initiatives to increase women's participation in decision-making; in this respect, calls for regulations on positive measures to secure full equality of women and men in working life, by providing for specific advantages to increase the proportion of the under-represented sex in each profession;
32. Calls specifically for measures to be taken by the Member States, where appropriate in consultation with the social partners, to implement the principle of equal pay for equal (or equivalent work) without delay; hopes that Member States will be urged more explicitly to introduce national quantitative objectives and target dates for reducing pay differentials between men and women; calls for European targets also to be laid down for closing the gender wage-gap and dismantling other features of marginalisation on the labour market;
33. Emphasises that the social partners must take an active role in promoting gender equality in the labour market; calls therefore upon the social partners to: (a) promote the capacity of women workers to organise and protect their rights, (b) devote much more effort to tackling the gender pay gap, inter alia by ensuring that there is greater transparency as regards wage base determination, and (c) ensure a balanced participation of women and men in the decision-making bodies of the social partners;
34. Takes note of the encouraging initiatives taken by Member States to reconcile work and family life, but considers that progress remains limited; therefore supports the Commission's call on the Member States and the social partners to promote family friendly working environments; for this purpose points out the need for the Member States to set quantitative targets for increasing the provision of care services for children and other dependent persons by defining specific national objectives aimed at reaching within the next five years the average level of the three Member States with the best performance in this sector; to enable fair sharing of family responsibilities more emphasis must be put on family-friendly work organisations, operating inter alia at local level, to achieve flexible working time arrangements, to reinforce and reorganise public and private companies, with regard to working hours inter alia, and on parental leave schemes and reintegration into the labour market after an absence; calls in this respect on the Member States to ensure that parents – women and men – are not unfavourably treated when seeking to combine work and family life or when exercising their rights to parental leave;
35. Welcomes the fact that Member States are urged to develop national objectives before making available care facilities and hopes in this connection that future guidelines will be able to provide a definition of 'European' objectives in this area;
36. Reiterates its call to the Council to recognise household work carried out by a third party in private households for remuneration as a sector of the employment market; such recognition would include introducing rules on the social entitlements of these employees, as well as regulating supply and demand in the sector, the possibility of training and co-financing of costs by government;

## **Procedure and state of implementation**

36. Underscores the call for an increase in political coordination in the Member States between the individual institutional players (national, regional and local administrations) and with the social partners in preparing and implementing the Luxembourg strategy; calls, furthermore, for a public debate in the Member States with a view to securing the participation of all the political players (national and regional) in this strategy;
37. Urges the governments of the applicant countries to adapt their labour market policies to facilitate possible future involvement in the Luxembourg strategy and welcomes, in this connection, the fact that protocols on this matter have been signed with a number of applicant countries; highlights the problem of taking into account areas of Community policies which do not form part of the Community 'acquis' because they are subject to the method of open coordination but which, nevertheless, should be covered by the accession negotiations;
38. Asks to be fully involved in the review and evaluation of the impact of the employment strategy; calls on the Presidency of the Council to seek, together with Parliament, appropriate forms of coordination in order to ensure democratic scrutiny of policy areas which are governed by the method of open coordination;
39. Instructs its President to forward this resolution to the Council, the Commission and the parliaments of the Member States and the applicant countries.

## EXPLANATORY STATEMENT

Unemployment is one of the most serious economic and social problems in the European Union. In 1997, one EU citizen in ten was unable to find work and, even today, one in 12 is still unemployed.

The job shortage affects certain population groups much more than others: young people, women, members of ethnic minorities, the elderly and the disabled. The employment rate for these groups is far below the European average of some 61%.

In the search for means of tackling unemployment, it is now generally accepted that economic growth alone is not sufficient to solve the problem of unemployment and that this target can only be achieved by active labour market measures. The heads of state and government of the EU agreed at their Summit meeting in Luxembourg in the autumn of 1997 to adopt 'employment policy guidelines' and thereby initiated the Luxembourg procedure.

The employment policy guidelines are intended to give the Member States a powerful stimulus in shaping their employment policies. A national annual action plan (NAP) summarises the employment policy measures of each Member State. As part of the Luxembourg procedure, Member States have pledged to account once a year for the measures they have introduced.

Under Article 128 of the EC Treaty, the 'European Employment Strategy' provides for the scrutiny of national action plans by the Commission and the Council. The Commission is required to publish the results in an annual 'joint employment report' and, at the same time, to propose possible changes in the guidelines for the year ahead which the Council lays down after consulting the European Parliament.

A comprehensive assessment and review of the employment strategy is scheduled five years after its inception, namely in 2002.

The employment policy guidelines are based on four pillars:

1. Employability: measures which allow access to training and further training of job seekers, and thus enable them to switch jobs, constitute the first pillar of the employment policy guidelines.
2. Entrepreneurship: this pillar includes measures which promote the establishment and growth of SMEs and make the move to self-employed status easier.
3. Adaptability: new technologies and changing market conditions mean that undertakings and employees are under constant pressure to adapt. The guidelines therefore appeal to the social partners to adopt agreements for a modern, i.e. more flexible, form of organisation of labour.
4. Equality of opportunity: men and women should be able to take up employment on terms of equality. To this end, new Member States should set up childcare facilities and services so as to make it easier to combine family and professional life.



Over the past few years Parliament has sought to ensure that more quantitative objectives are incorporated in the guidelines. In view of the enormous differences in existing conditions, it has called on the Member States to set their own national targets.

For the European Union as a whole, the unemployment rate sank from 10.6% in 1997 to 8.2% in the year 2000. There are a number of different reasons for this. One reason for this positive trend is the European employment strategy which has now begun to take effect. The fourth pillar measures have been shown to be particularly effective: more women have found jobs and the unemployment rate for women has fallen perceptibly. The decision to promote employability has also been successful: the more qualified a worker, the less danger there is of becoming redundant.

The 'Employment Policy Guidelines for 2002' are based on the previous guidelines and on experience during the previous year. This report therefore sets a new direction. For example, there should be a greater commitment by Member States to promoting vocational training; they should target so called drop-outs more consciously and integrate immigrants in the labour market. In addition, Member States should be encouraged not only to set themselves specific long-term employment policy objectives but also to subject to quantitative controls the means employed to achieve this end.

This report is innovative insofar as it introduces a new paradigm, thereby following the lead given by the European Council in Stockholm and the Belgian Presidency: the quality aspect of jobs must be taken into account in each separate aspect of employment policy ('quality mainstreaming'). This is particularly important in view of the expected economic downturn.

The European Union can only become a dynamic, competitive and knowledge-based economic area if it succeeds in creating high-quality and sustainable jobs. The employment policy guidelines for the year 2002 are intended as a contribution to this end.

1 October 2001

## **OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND EQUAL OPPORTUNITIES**

for the Committee on Employment and Social Affairs

on the Commission proposal for a Council Decision on Guidelines for Member State's employment policies for the year 2002  
(COM(2001) 511 – C5-0498/2001 – 2001/0208 (CNS))

and

the Commission communication on the Joint Employment Report 2001 (COM(2001) 438 - C5-0423/2001 - 2001/2168 (COS))

Draftsperson: Maj Britt Theorin

### **PROCEDURE**

The Committee on Women's Rights and Equal Opportunities appointed Maj Britt Theorin draftsman at its meeting of 11 September 2001.

It considered the draft opinion at its meeting of 1 October 2001.

At the last meeting it adopted the following conclusions unanimously with 1 abstention.

The following were present for the vote: Maj Britt Theorin, chairman and draftsperson; Marianne Eriksson and Anne E.M. Van Lancker, vice-chairpersons; María Antonia Avilés Perea, Armonia Bordes, Geneviève Fraisse, Koldo Gorostiaga Atxalandabaso, Lissy Gröner, Heidi Anneli Hautala, Anna Karamanou, Christa Klauf, Rodi Kratsa-Tsagaropoulou, Astrid Lulling, Olle Schmidt (for Lone Dybkjær, pursuant to Rule 153(2)), Miet Smet, Patsy Sørensen, Helena Torres Marques, Sabine Zissener.

## SHORT JUSTIFICATION

The yearly Guidelines for Member States' employment policies are of special interest to the Committee on Women's Rights and Equal Opportunities in that they affect the labor market situation for women. The Guidelines offer the possibility to take an overall approach, rather than merely isolated measures, towards eliminating the persistent gender-gaps in the labor market.

Such an approach is well in line with decisions of recent European Summits. The Lisbon European Council on 23 and 24 March 2000 set the objective of an overall employment rate of 60% for women by 2010, and the Stockholm European Council on 23 and 24 March 2001 set up an intermediary target of a 57% employment rate for women by 2005.

Unfortunately, these objectives contrast sharply with the little emphasis placed by most Member States on the incorporation of a gender perspective in their employment policies. The Committee notes with great concern the uneven responses to recommendations on gender equality in previous Guidelines, and considers that the overall reduced emphasis placed by Member States on the Equal Opportunities Pillar in 2001 is a very serious setback. It is especially discouraging that the Member States with the largest gender gaps have placed least emphasis on improving the situation.

The committee is specifically concerned as regards the lack of national targets to reduce the different gender gaps in the labor market, the failure to provide sufficient childcare services, the limited initiatives to reduce gender pay differentials, and the lack of new actions to promote women in decision-making. The slight decrease in 2000 in the gender gap in employment rates is encouraging, but the committee is troubled by the fact that most new jobs taken up by women were part-time.

Isolated actions to promote gender equality can never abolish the persistent gender barriers in the labor market. Therefore, the committee demands a comprehensive approach, seeking to: a) integrate a gender perspective into employment policies under the first three Pillars; b) set national targets for eliminating the gender gaps in the labor market, and develop comparable indicators to make it possible to assess the gender impact implementation of each Guideline; and c) implement forceful measures making it possible for parents to reconcile work and family life.

## CONCLUSIONS

The Committee on Women's Rights and Equal Opportunities calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following conclusions in its motion for a resolution:

1. Highlights that the average employment rate for women is more than 18 percentage points below the male rate, that labour market segregation remains large, and that women are paid on average 76% of men's hourly wages; regrets therefore that Member States in 2001 placed less emphasis on the Equal Opportunities Pillar in their NAPs compared to the previous year, and that a coherent and comprehensive strategy for the implementation of gender mainstreaming across all four Pillars is still lacking in many Member States.
2. Recalls the objective of the Lisbon Summit of an employment rate of more than 60% for women by 2010; regrets, however, that most Member States fail to set up national targets for female participation in employment, and that only a few Member States present an overall approach on how to contribute to this Lisbon target; emphasises that an overall approach rather than specific measures is needed to achieve a balanced labour market; supports the Commission's request for Member States to adopt a gender mainstreaming approach across all four pillars in implementing the Guidelines; but regrets the fact that considerations of gender equality are not incorporated into the first three pillars of the Commission's proposal for Guidelines; calls therefore on the Council to strengthen and clarify the wording of the Guidelines in all four Pillars in order to ensure a de facto gender mainstreaming approach.
3. Highlights that women are over-represented in part-time, precarious and low-skills positions; in this respect supports the new objective across all the Pillars of the Guidelines to promote high-quality jobs; regrets, however, that the Guideline proposal does not specifically discuss actions to give women a more varied range of employment choices, with better wages and with all their rights being guaranteed; calls in this respect on the Member States to step up actions to create better jobs, better working conditions, and higher job satisfaction among women, which will dissuade them from giving up their jobs and, frequently, placing themselves in social isolation.
4. Strongly supports the Commission's call to Member States to review tax and benefit disincentives which have a negative impact on women's participation in the labour market, and to pay attention to obstacles which hinder women who wish to set up businesses and become self-employed; in this respect, stresses the importance, not merely of reviewing, but of adopting specific measures aiming to support and encourage these women by: (a) reducing burdens on businesses at the start-up stage and simplifying the formal procedures required, and (b) establishing funds to stimulate the establishment of new businesses, and offer advice, training courses and technical assistance, as well as extending such assistance to businesses where there is scope for further development of investment, and (c) making it easier at local level for women to obtain access to and information about existing subsidised programmes.
5. Endorses the Commission's call on Member States to facilitate the access of women to

lifelong learning and in particular to IT training, and to promote participation by women in all levels of education and training; stresses in this respect the need to establish national targets for female participation rates in all levels of education and training; invites therefore the Member States to evaluate regularly the impact of their policies in this field; recalling the decision of the Stockholm Summit that special attention must be given to encouraging women to engage in scientific and technical studies, calls on the Commission to investigate the reasons for the discrepancy between the number of women graduating in scientific disciplines and the number who are successful in obtaining professional posts.

6. Encouraged by the innovative approaches adopted by some Member States to diminish gender segregation in the employment market, regrets, however, that there are no improvements in gender segregation from last year and that there are hardly any new initiatives to increase women's participation in decision-making; in this respect, calls for regulations on positive measures to secure full equality of women and men in working life, by providing for specific advantages to increase the proportion of the under-represented sex in each profession.
7. Recalls the decision of the Stockholm Summit that the Council together with the Commission will develop indicators to ensure that there are no discriminatory pay differentials between men and women; in this respect, strongly supports the proposal in the Guidelines to adopt a multi-faceted strategy to achieve gender pay equality in both the public and private sectors, but wishes the introduction of precise national quantitative targets and target dates to tackle the pay gap to be called for more specifically from the Member States; also expects European target figures to be set aimed at closing the gap between men's and women's pay, which will help to avoid the compartmentalisation of the labour market and change traditional roles; regrets, however, the little attention devoted by most Member States to combating the problem of gender pay gaps, and calls therefore on the Member States to encourage employers to develop annual reports with information on: (a) the proportions of women and men at different levels of the organisation, (b) pay differentials for equal work and for work of equal value, and (c) actions to improve the situation and increase pay transparency; also wishes the Member States to draw up equal pay plans and annual reports on developments in the area of equal pay which will serve as a basis for the Commission to draw up progress reports taking into account national action plans on employment.
8. Emphasises that the social partners must take an active role in promoting gender equality in the labour market; calls therefore upon the social partners to: (a) promote the capacity of women workers to organise and protect their rights, (b) devote much more effort to tackling the gender pay gap, inter alia by ensuring that there is greater transparency as regards wage base determination, and (c) ensure a balanced participation of women and men in the decision-making bodies of the social partners.
9. Takes note of the encouraging initiatives taken by Member States to reconcile work and family life, but considers that progress remains limited; therefore supports the Commission's call on the Member States and the social partners to promote family friendly working environments; for this purpose points out the need for the Member States to set quantitative targets for increasing the provision of care services for children and other dependent persons by defining specific national objectives aimed at reaching within the next five years the average level of the three Member States with the best performance

in this sector. To enable fair sharing of family responsibilities more emphasis must be put on family-friendly work organisations, operating inter alia at local level, to achieve flexible working time arrangements, to reinforce and reorganise public and private companies, with regard to working hours inter alia, and on parental leave schemes and reintegration into the labour market after an absence; calls in this respect on the Member States to ensure that parents – women and men – are not unfavourably treated when seeking to combine work and family life or when exercising their rights to parental leave.

10. Reiterates its call to the Council to recognise household work carried out by a third party in private households for remuneration as a sector of the employment market. Such recognition would include introducing rules on the social entitlements of these employees, as well as regulating supply and demand in the sector, the possibility of training and co-financing of costs by government.

17 September 2001

## **OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS**

for the Committee on Employment and Social Affairs

on the draft Commission proposal for a Council decision on guidelines for Member States' employment policies for the year 2002  
(COM(2001) 511 – C5-0498/2001 – 2001/0208 (CNS))

and the Commission communication on the Joint Employment Report 2001  
(COM(2001) 438 – C5-0423/2001 – 2001/2168(COS))

Draftsman: Karl von Wogau

### **PROCEDURE**

The Committee on Economic and Monetary Affairs appointed Karl von Wogau draftsman at its meeting of 28 August 2001.

It considered the draft opinion at its meetings of 12 and 13 September 2001.

At the latter meeting it adopted the following conclusions by 29 votes, with 4 abstentions.

The following were present for the vote: Christa Randzio-Plath, chairwoman, Philippe A.R. Herzog, vice-chairman, Karl von Wogau, draftsman; Generoso Andria, Richard A. Balfe, Luis Berenguer Fuster, Pervenche Berès, Hans Blokland, Hans Udo Bullmann, Harald Ettl (for Simon Francis Murphy), Jonathan Evans, Carles-Alfred Gasòliba i Böhm, Robert Goebbels, Lisbeth Grönfeldt Bergman, Christopher Huhne, Pierre Jonckheer, Othmar Karas, Christoph Werner Konrad, Alain Lipietz, Astrid Lulling, Jules Maaten (for Karin Riis-Jørgensen), Thomas Mann (for Piia-Noora Kauppi), Miquel Mayol i Raynal, Fernando Pérez Royo, John Purvis (for José Javier Pomés Ruiz), Alexander Radwan, Bernhard Rapkay, Olle Schmidt, Charles Tannock, Marianne L.P. Thyssen, Ieke van den Burg (for Helena Torres Marques) and Theresa Villiers.

## SHORT JUSTIFICATION

Persistently high unemployment remains one of the major challenges facing the European Union. According to the most recent figures, unemployment in the European Union was 7.6% (8.3% for the euro zone) in June 2001, with Luxembourg and the Netherlands at the lower end of the scale (2.4%) and Spain and Greece at the upper end with 12.8% and around 10.9% respectively. The continued gradual fall in unemployment figures does not mean that it is safe to sit back and relax. On the contrary, there is a pressing need for action at European level and in the Member States if the objectives of the European Council of Lisbon for the year 2010, occupation rate of 70% (60% for women) are to be met in practice. The meeting of the European Council in March this year in Stockholm has already produced interim objectives (occupation rate of 67% - 57% for women - by the year 2005). At the same time, an increase to 50% in the occupation rate among older people was set as the objective to be met by the year 2010. This means that much remains to be done.

The process of employment policy coordination was introduced under Article 128 of the Treaty of Amsterdam, including in particular employment guidelines and the Commission's annual report to the Council on the employment situation and implementation of the guidelines, together with recommendations to the Member States. This September, the Commission is now for the fourth year running, preparing a joint report on the employment situation and a proposal for a Council decision on employment policy guidelines, assessing the progress made by Member States in implementing the guidelines and meeting objectives.

The Committee on Economic and Monetary Affairs takes the view that sustained economic growth based on price stability guaranteed by the European Central Bank and underpinned by appropriate common economic policies is necessary to ensure the long-term health of the European domestic employment market and to meet the Lisbon and Stockholm objectives. To this end a sound budget policy is also important in view of the resulting low rates of interest which promote investment and create employment. Economic and monetary policy in the European Union should follow social market guidelines and there is talk of incorporating this principle in the Treaty at the next intergovernmental conference.

An important element of the social market economy is competition between companies which must not, however, be allowed to fall prey to abuse. Accordingly the European Union is concentrating its efforts on encouraging competition policy. Small and medium-sized undertakings form the backbone of the European economy accounting for almost all companies and employing around two-thirds of the workforce. They generate employment and it is therefore essential to assist them by removing bureaucratic restrictions and facilitating access to financing. Further important areas of activity in combating unemployment include research and development, basic and further training and measures to promote mobility.

Action is needed in all these areas. In this connection, the process initiated in Amsterdam is helpful, making it clear where progress is being achieved and which examples are worth following, ensuring that the European Union adopts an active approach to its most urgent problems.



## CONCLUSIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Takes the view that the social market economy which forms the basis of a proven economic and social system combining freedom and responsibility provides the right framework for the European Union's economic policy; the social market economy should therefore be adopted as the norm with regard to the European Union's economic and monetary policy and should be embodied in the Treaty at the forthcoming intergovernmental conference;
2. emphasizes the task of the European Union and its Member States, deriving from the European Treaties, to promote throughout the Community a harmonious, balanced and sustainable development of economic activities, a high level of employment and of social protection; is of the opinion that in addition to the common market a coordinated economic policy at European level shall serve to attain these objectives,
3. Points out that price stability, sound budgetary policies and resulting low long-term interest rates stimulate investment and hence generate sustainable employment; accordingly takes the view that the provisions of the Stability and Growth Pact should be steadfastly adhered to;
4. Stresses that competition between companies is central to the social market economy; points out, however, that this can only have positive social consequences if it is not distorted as a result of monopolies and concerted practices or by inappropriate state aids; accordingly supports the European Union's competition policy; takes the view, however, that, with a view to the upcoming intergovernmental conference, democratic control through the codecision procedure remains necessary when general competition policy rules are established;
5. Considers it essential to ensure that small and medium-sized companies, which employ two-thirds of the total work force, have easier access to funding and urges that the directive regarding the capital and reserves of banks (Basle II) drawn up by the Basle Banking Supervisory Committee should not lead to more costly credit terms for small and medium-sized businesses;
6. Takes the view that today knowledge is the key to prosperity and employment and that investment in education, research and development is therefore of fundamental importance; therefore considers it urgently necessary to improve as well the framework conditions for private investment in research and development , for example through the creation of a Europe-wide and affordable patent;
7. Calls for the European Union and the Member States to take the necessary steps to encourage investment in particular in training, health and the infrastructure necessary to the knowledge society and sustainable development, and especially piggyback transport, fast Internet connections and energy networks;

8. Takes the view that tax and welfare benefit arrangements must be such as to stimulate active job seeking;
9. In view of the importance of mobility and combating unemployment in the Member States, calls for the removal of obstacles to mobility in the European internal market arising from national social security systems;
10. With a view to reducing taxes affecting labour, calls on the Member States to make greater use of the possibility of applying reduced VAT rates to labour-intensive services, for example the catering and crafts sector.
11. Is convinced that the success of the Lisbon strategy consists in a well-balanced policy mix and proposes therefore to coordinate more closely the different existing processes of Luxembourg, Cardiff and Cologne in view of the preparations for the forthcoming European Spring Council in Barcelona.