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22 May 2003

REPORT

on the proposal for a Council decision on guidelines for the employment
policies of the Member States
(COM(2003) 176 – C5-0180/2003 – 2003/0068(CNS))

Committee on Employment and Social Affairs

Rapporteur: Herman Schmid

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 22 April 2003 the Council consulted Parliament, pursuant to Article 128, paragraph 2 of the EC Treaty, on the proposal for a Council decision on guidelines for the employment policies of the Member States (COM(2003) 176 – 2003/0068(CNS)).

At the sitting of 12 May 2003 the President of Parliament announced that he had referred the proposal to the Committee on Employment and Social Affairs as the committee responsible, the Committee on Economic and Monetary Affairs, the Committee on Women's Rights and Equal Opportunities and the Committee on Industry, External Trade, Research and Energy for their opinions (C5-0180/2003).

The committee appointed Herman Schmid rapporteur at its meeting of 24 January 2002.

It considered the Commission proposal and draft report at its meetings of 8/24/29 April and 12 and 20/21 May 2003.

At the latter it adopted the draft legislative resolution by 22 votes to 8.

The following were present for the vote Theodorus J.J. Bouwman (chairman), Marie-Hélène Gillig (vice-person), Winfried Menrad (vice-chairman), Herman Schmid (rapporteur), Elspeth Attwooll, Regina Bastos, Philip Bushill-Matthews, Harald Ettl, Jillian Evans, Ilda Figueiredo, Hélène Flautre, Fiorella Ghilardotti (for Enrico Boselli), Anne-Karin Glase, Robert Goebbels (for Alejandro Cercas), Richard Howitt (for Elisa Maria Damião), Stephen Hughes, Karin Jöns, Anna Karamanou, Hans Karlsson (for Jan Andersson pursuant to Rule 153(2)), Ioannis Koukiadis, Jean Lambert, Elizabeth Lynne, Thomas Mann, Claude Moraes, Ria G.H.C. Oomen-Ruijten (for Luigi Cocilovo), Bartho Pronk, Lennart Sacrédeus, Herman Schmid, Miet Smet, Helle Thorning-Schmidt, Ieke van den Burg and Barbara Weiler.

The Committee on Economic and Monetary Affairs, the Committee on Women's Rights and Equal Opportunities and the Committee on Industry, External Trade, Research and Energy decided on 7 May, 24 April and 12 May 2003 not to deliver an opinion.

The report was tabled on 22 May 2003.

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

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

(COM(2003) 176 – C5-0180/2003 – 2003/0068(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2003) 176)¹,
 - having regard to Article 128, paragraph 2 of the EC Treaty, pursuant to which the Council consulted Parliament (C5-0180/2003),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A5-0187/2003),
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 Lisbon European Council on 23 and 24 March 2000 set a new strategic goal for the European Union to become 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. To this end the Council agreed overall employment targets and employment targets for women for

(3) The Lisbon European Council on 23 and 24 March 2000 set a new strategic goal for the European Union to become 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. To this end the Council agreed overall employment targets and employment targets for women for

¹ Not yet published in OJ..

2010, which were completed at the Stockholm European Council on 23 and 24 March 2001, by intermediate targets for January 2005, and a new target for 2010 for the employment rate of older women and men.

2010, which were completed at the Stockholm European Council on 23 and 24 March 2001, *where the demographic challenge was identified as one of the Union's most important issues for the future*, by intermediate targets for January 2005, and a new target for 2010 for the employment rate of older women and men.

Amendment 2
Recital 5

(5) The Barcelona European Council of 15 and 16 March 2002 called for a strengthening of the European Employment Strategy through a reinforced, simplified and better-governed process, with a timeframe aligned to 2010, and which incorporates the targets and goals of the Lisbon strategy. The Barcelona European Council also requested a streamlining of policy co-ordination processes, with synchronised calendars for the adoption of the Broad Economic Policy Guidelines and the Employment Guidelines.

(5) The Barcelona European Council of 15 and 16 March 2002 called for a strengthening of the European Employment Strategy through a reinforced, simplified and better-governed process, with a timeframe aligned to 2010, and which incorporates the targets and goals of the Lisbon strategy. The Barcelona European Council also requested a streamlining of policy coordination processes, with synchronised calendars for the adoption of the Broad Economic Policy Guidelines and the Employment Guidelines. *In addition, corresponding measures should be introduced which facilitate the genuine substantive dovetailing of economic and employment policy objectives.*

Amendment 3
Recital 6 a (new)

(6a) Open coordination procedure
The open coordination procedure was developed in the field of European employment policy. It should be further developed and improved so that the national employment policy measures of 25 Member States may be compared and coordinated more effectively. In addition, it could also be applied to, and adjusted to take account of, the employment policy measures taken in the Member States in such a way that the traditional labour-

market administration hierarchies are broken up and reformed.

Amendment 4

Recital 10

(10) Active and preventative policies should contribute to the goals of full employment and social inclusion by ensuring that ***unemployed people, and inactive people wanting to work***, are able ***to compete in and*** integrate into the labour market.

(10) Active and preventative policies should contribute to the goals of full employment and social inclusion by ensuring that ***those seeking work*** are able to integrate, ***in a sustainable way***, into the labour market ***A similar series of preventive measures must also be taken to protect all those who are currently in work but who are threatened with structural unemployment.***

Amendment 5

Recital 12

(12) Providing the right balance between flexibility and security will help support the competitiveness of firms, increase quality and productivity in work and facilitate the adaptation of firms and workers to economic change. Levels of health and safety standards at work need to be raised in line with the new Community strategy for 2002-2006. The sectors of fishing, agriculture, construction, and health and social services are particularly high-risk sectors for accidents at work. Access of workers to training is an essential element of the balance between flexibility and security and the participation of all workers should be supported through appropriate targets, taking into account the returns on investment for workers, employers as well as society as a whole.

(12) Providing the right balance between flexibility and security will help support the competitiveness of firms, increase quality and productivity in work and facilitate the adaptation of firms and workers to economic change. Levels of health and safety standards at work need to be raised in line with the new Community strategy for 2002-2006. The sectors of fishing, agriculture, construction, and health and social services are particularly high-risk sectors for accidents at work. Access of workers to training ***suitable for them*** is an essential element of the balance between flexibility and security and the participation of all workers should be supported through appropriate targets, taking into account the returns on investment for workers, employers as well as society as a whole.

Amendment 6

Recital 13

(13) The implementation of coherent and comprehensive lifelong learning strategies is critical in delivering full employment, improved quality and productivity at work, and better social cohesion. The Barcelona

(13) The implementation of coherent and comprehensive lifelong learning strategies is critical in delivering full employment, improved quality and productivity at work, and better social cohesion. The Barcelona

European Council welcomed the Commission Communication ‘Making a European Area of Lifelong Learning’ which spelt out the essential building blocks of lifelong learning strategies of partnership, insight into demand for learning, adequate resources, facilitating access to learning opportunities, creating a learning culture, and striving for excellence. The Lisbon European Council called for a substantial per capita increase in investment in human resources. Increasing investment requires sufficient incentives for employers and individuals, and re-directing public finance towards more efficient investment in human resources across the learning spectrum.

European Council welcomed the Commission Communication ‘Making a European Area of Lifelong Learning’ which spelt out the essential building blocks of lifelong learning strategies of partnership, insight into demand for learning, adequate resources, facilitating access to learning opportunities, creating a learning culture, and striving for excellence **and satisfaction**. The Lisbon European Council called for a substantial per capita increase in investment in human resources. Increasing investment requires sufficient incentives for employers and individuals, and re-directing public finance towards more efficient investment in human resources across the learning spectrum.

Amendment 7
Recital 15

(15) Gender gaps in the labour market need to be **progressively** eliminated, if the EU is to deliver full employment, increase quality in work and promote social inclusion and cohesion. This requires both a gender mainstreaming approach and specific policy actions to create the conditions for women and men to enter, re-enter, and remain in the labour market. The Barcelona European Council agreed that Member States should provide childcare by 2010 to at least 90% of children between three years old and the mandatory school age and at least 33% of children under 3 years of age. The underlying factors of the gender gaps in unemployment and in pay should be addressed and targets on the reduction of such gaps should be achieved as a result, without calling into question the principle of wage differentiation according to productivity and labour market situation.

(15) Gender gaps in the labour market need to be **as soon as possible** eliminated, if the EU is to deliver full employment, increase quality in work and promote social inclusion and cohesion. This requires both a gender mainstreaming approach and specific policy actions to create the conditions for women and men to enter, re-enter, and remain in the labour market. The Barcelona European Council agreed that Member States should provide childcare by 2010 to at least 90% of children between three years old and the mandatory school age and at least 33% of children under 3 years of age. **The latter, however, should be reviewed, since it does not satisfy the requirements for women's participation in the labour market, and specific additional measures in this field should be proposed.** The underlying factors of the gender gaps in unemployment and in pay should be addressed and targets on the reduction of such gaps should be achieved as a result, without calling into question the principle of wage differentiation according to productivity and labour market situation. **Greater account should be taken in the Member States of gender-mainstreaming;**

to that end, the new Community statistics (EU-SILC) - especially those relating to low pay, poverty, equal partnership and representation - should be presented.

Justification

One of the major reasons why women are absent from the labour market is the difficulty of reconciling employment with family obligations. This is even more evident in the case of couples with children under 3 years of age. The Barcelona European Council's target of providing care for at least 33% of children of this age seems inadequate, and it should be supplemented by further measures.

Amendment 8
Recital 15 a (new)

(15a) In order to promote equality between women and men in the labour market, an integrated approach is essential which focuses on women's needs in order to address women's unemployment, women's working conditions, the increased participation of women in the labour market and the equal sharing of unpaid care and domestic work.

Justification

Such an integrated approach must include issues of social protection, poverty and social exclusion and an understanding of social responsibility for care.

Amendment 9
Recital 18

(18) Undeclared work is taken to mean "any paid activities that are lawful as regards their nature but not declared to public authorities¹". Studies estimate the size of the informal economy on average at between 7% and 16% of EU GDP. This should be turned into regular work in order to improve the overall business environment, the quality in work of those concerned, social cohesion and the sustainability of public finance and social protection systems. Improving statistical knowledge about the extent of undeclared work in Member States and the

(18) Undeclared work is taken to mean "any paid activities that are lawful as regards their nature but not declared to public authorities¹". Studies estimate the size of the informal economy on average at between 7% and 16% of EU GDP. This should be turned into regular work in order to improve the overall business environment ***and strengthen the taxpaying 'ethic', promote competition on equal terms***, the quality in work of those concerned, social cohesion and the sustainability of public finance and social protection systems. Improving

EU should be given priority.

statistical knowledge about the extent of undeclared work in Member States and the EU should be given priority ***in order to consolidate cooperation in the fight against undeclared working.***

¹ COM(1998) 219 final

¹ COM(1998) 219 final

Amendment 10
Recital 18 a (new)

(18a) Particular emphasis should be placed on local and regional development strategies. All jobs are local in a sense and many of them supply goods and services to local and regional markets, which tend to be less sensitive to cyclical fluctuations and macro-economic upswings and downturns. Development strategies to promote innovation, entrepreneurship and job creation in regions with high unemployment should be supported in order to mobilise existing resources and combine them in partnership networks for mutual support and cooperation.

Amendment 11
Recital 19 a (new)

(19a) The effectiveness of any employment strategy is also dependent on the identification of future employment trends and related skills requirements. The Employment strategy will take this into account, including opportunities presented by Research & Development.

Amendment 12
Recital 20

(20) The evaluation of the first five years of Employment strategy highlighted better governance as a key for the strategy's future effectiveness. A successful implementation of employment policies depends on partnership at all levels, the involvement of a

(20) The evaluation of the first five years of Employment strategy highlighted better governance as a key for the strategy's future effectiveness. A successful implementation of employment policies depends on partnership at all levels, the involvement of a

number of operational services, and an adequate financial provision to support the implementation of the guidelines. Member States have responsibility for the effective implementation of the Employment Guidelines, including ensuring a balanced delivery at regional and local level.

number of operational services, and an adequate financial provision to support the implementation of the guidelines. Member States have responsibility for the effective implementation of the Employment Guidelines, including ensuring a balanced delivery at regional and local level. ***In addition, a more efficient and stricter assessment of delivery is required at European level.***

Amendment 13
Recital 21

(21) The effective implementation of the Employment Guidelines requires active participation of social partners at all stages, from designing policies ***to*** their implementation. At the social summit on 13 December 2001 the social partners expressed the need to develop and improve co-ordination of tripartite consultation. It was also agreed that a Tripartite Social Summit for Growth and Employment would be held before each Spring European Council.

(21) The effective implementation of the Employment Guidelines requires active participation of social partners ***at local, regional, national and European levels,*** at all stages, from designing policies, ***via*** their implementation, ***to their evaluation.*** At the social summit on 13 December 2001 the social partners expressed the need to develop and improve coordination of tripartite consultation. It was also agreed that a Tripartite Social Summit for Growth and Employment would be held before each Spring European Council.

Amendment 14
Recital 22

In addition to these Employment Guidelines, Member States should fully implement the Broad Economic Policy Guidelines and ensure that action is fully consistent with the maintenance of sound public finances and macro-economic stability.

In addition to ***support for*** these Employment Guidelines, Member States should fully implement the Broad Economic Policy Guidelines and ensure that action is fully consistent with the maintenance of sound public finances and macro-economic stability. ***The objectives and priorities emphasised in the Employment Guidelines will be properly taken into account in the BEPG. After evaluating this coordination, the Commission will analyse the possibilities of also coordinating the Social Inclusion Strategy, the Strategy on Adequate and Sustainable Pensions and the European Sustainability Strategy with the Employment Guidelines and the BEPG,***

with the objective of making them mutually supportive and reinforcing.

Justification

The streamlining of the EG and the BEPG must be respected while at the same time respecting the other elements of the Lisbon strategy.

Amendment 15
Recital 22 a (new)

(22a) Also with a view to the enlarged EU, the guidelines for employment policy measures must be devised in such a way that – while duly complying with the principle of subsidiarity – they coordinate national, regional and local employment policy measures. In this way, proper account may be taken of the objectives set out in the Lisbon Strategy for Sustainable Development. It should be emphasised that the proposed guidelines were devised for the enlarged Union and that due account must be taken of enlargement in every aspect.

Amendment 16
Article 1

The guidelines for Member States' employment policies as set out in the annex are hereby adopted.

The guidelines for Member States' employment policies as set out in the annex are hereby adopted **and implemented**.

Amendment 17
Article 2

All aspects of the guidelines shall be taken into account by the employment policies of Member States in a comprehensive and integrated manner and reported upon in National Action Plans submitted annually on the 1st of October.

All aspects of the guidelines shall **therefore** be taken into account by the employment policies of Member States in a comprehensive and integrated manner and reported upon in National Action Plans submitted annually on 1 October.

Amendment 18
Heading 'A. European strategy for full employment and better jobs for all', paragraph 1 a (new)

The strategy must also anticipate employment trends and related skills requirements, including future opportunities presented by Research & Development.

Amendment 19

Annex - Heading 'A European strategy for full employment and better jobs for all', paragraph 2

In addition to these Employment Guidelines and their associated Employment Recommendations, Member States should fully implement the Broad Economic Policy Guidelines and ensure that ***the two*** instruments operate in a consistent way.

In addition to these Employment Guidelines and their associated Employment Recommendations, Member States should fully implement the Broad Economic Policy Guidelines, ***the Social Inclusion Strategy and the European Sustainability Strategy*** and ensure that ***these*** instruments operate in a consistent ***and mutually supportive*** way.

Justification

The EG are part of Lisbon strategy whose other elements must also be implemented.

Amendment 20

Part 'A. The overarching objectives', paragraph 1

Reflecting the Lisbon agenda, the employment policies of Member States shall foster the ***three*** objectives of full employment, quality and productivity at work, and social cohesion and inclusion.

Reflecting the Lisbon agenda, the employment policies of Member States shall foster the ***following*** objectives of full employment, quality and productivity at work, and social cohesion and inclusion.

Amendment 21

Part 'A. The overarching objectives', paragraph 2

These objectives should be pursued in a balanced manner, reflecting their equal importance in achieving the ambitions of the Union. Synergies should be fully exploited, building on the positive interaction between the ***three*** objectives.

These objectives should be pursued in a balanced manner, reflecting their equal importance in achieving the ambitions of the Union. Synergies should be fully exploited, building on the positive interaction between the objectives. ***All relevant actors will be involved in delivering the Employment Strategy.***

Justification

In the Employment Guidelines, the importance should be stressed of the active participation of the social partners at all stages.

Amendment 22

Part 'A. The overarching objectives', heading 'Full employment', paragraph 3

*Member States shall **set** corresponding national targets **consistent with the outcome expected** at EU level.*

*Member States shall **determine** corresponding **quantifiable** national targets **(to be laid down in the first National Employment Plan which the Member States draw up in accordance with these guidelines) which contribute to the attainment of the objectives sought** at EU level.*

Amendment 23

Part 'A. The overarching objectives', heading 'Full employment', paragraph 3 a (new)

Member States shall invest in public services in order to meet family and community care requirements and so promote in practice equal opportunities between women and men. Special measures should be taken to support one-parent families.

Justification

Genuine reconciliation between work and family life is impossible without the requisite public services infrastructure; by the same token, new forms of the family should be also taken into account.

Amendment 24

Part 'A. The overarching objectives', heading 3 a (new) 'Equal opportunities and gender equality'

In addition to the targets set in Lisbon and Stockholm, a target relating to unemployment must also be set:

- a substantial decrease in unemployment up to and including the year 2010;

Amendment 25

Part 'A. The overarching objectives', heading 'Improving quality and productivity at work',

paragraph 1

Improved quality at work is closely inter-linked with the move towards a competitive and knowledge-based economy and should be pursued through a concerted effort between all actors and particularly through social dialogue. Quality is a multi-dimensional concept addressing both job characteristics and the wider labour market. It encompasses intrinsic job quality, skills, lifelong learning and career development, gender equality, health and safety at work, flexibility and security, inclusion and access to the labour market, work organisation and work-life balance, social dialogue and worker involvement, diversity and non-discrimination, and overall work performance.

Improved quality at work is closely inter-linked with the move towards a competitive and knowledge-based economy and should be pursued through a concerted effort between all actors and particularly through social dialogue. Quality is a multi-dimensional concept addressing both job characteristics and the wider labour market. It encompasses intrinsic job quality, skills, lifelong learning and career development, ***with account being taken of the fact that educational and vocational training methods must be tailored to fit the abilities of the person being educated or trained,*** gender equality, health and safety at work, flexibility and security, inclusion and access to the labour market, work organisation and work-life balance, social dialogue and worker involvement, diversity and non-discrimination, and overall work performance.

Amendment 26

Part 'A. The overarching objectives', heading 'Improving quality and productivity at work', paragraph 2

Increasing employment rates must go hand in hand with raising overall labour productivity growth. Quality at work can help increase labour productivity and the synergies between both should be fully exploited. This represents a ***specific*** challenge for social dialogue.

Increasing employment rates must go hand in hand with ***the efficient raising of the level of investment and of*** overall labour productivity growth. Quality at work can help increase labour productivity and the synergies between both should be fully exploited. This represents a specific challenge for, ***inter alia, the*** social dialogue.

Amendment 27

Part 'A. The overarching objectives', heading 'Improving quality and productivity at work', paragraph 2 a (new)

Target figures must be established at EU as well as at national level.

Justification

Benchmarks must be established for all objectives.

Amendment 28

Part A 'The overarching objectives', Heading 'Strengthening social cohesion and inclusion'

Strengthening social cohesion and inclusion

Strengthening social cohesion and inclusion *in the labour market*

Strengthen the fundamental factors for social cohesion in the field for employment which are (a) the dialogue relationship between the social partners, (b) the equality between women and men and their reconciliation of employment and family life, (c) the solidarity between the different territorial areas.

Employment policies should foster social inclusion by facilitating participation in employment through: promoting access to stable and quality employment for all women and men who are capable of working; combating discrimination on the labour market; and preventing the exclusion of people from the world of work.

Drawing on these relationships of social cohesion employment policies should foster social inclusion by facilitating participation in employment through: promoting access to stable and quality employment for all women and men who are capable of working; combating discrimination on the labour market; and preventing the exclusion of people from the world of work.

Justification

In order to qualify as overarching objective, social cohesion must be presented as basic and overarching.

Amendment 29

Part A 'The overarching objectives', Heading 'Strengthening social cohesion and inclusion', paragraph 2

Economic and social cohesion should be promoted by reducing regional employment and unemployment disparities, tackling the employment problems of deprived areas in the EU and positively supporting economic and social restructuring.

deleted

Justification

Consequence of the addition to the previous paragraph.

Amendment 30

Part 'A. The overarching objectives', heading 'Full employment', paragraph 3 a (new)

Equal opportunities and gender equality

In order to promote gender equality on the labour market there is a need for an integrated approach which takes account of the specific needs of women and aims to eliminate the gender gaps in unemployment, conditions of employment, participation in the labour market and equal division of family responsibilities. Member States should devise measures aimed at providing care services for children and other dependants, policies to improve working conditions and to eliminate gender gaps (unequal pay, high rate of long-term unemployment, job market segregation and unequal division of family responsibilities);

Amendment 31

Part 'B. Priorities for Action', heading '1. Active and preventative measures for the unemployed and inactive', paragraph 1

Member States will prevent inflows into long-term unemployment and promote the sustainable reintegration into employment of both unemployed and inactive people wanting to work. They will:

- ensure that job seekers benefit from an early identification of their needs, advice and guidance, job search assistance and a personalised action plan at an early stage of their unemployment spell; *by 2005, such services should be offered to all unemployed people before they enter their 4th month of unemployment*

Member States will, ***with comprehensive involvement of the social partners***, prevent inflows into long term unemployment and promote the sustainable reintegration into employment of both unemployed and inactive people wanting to work. They will:

- focus on transitions such as (a) young people moving from school to regular employment, (b) women moving from family work to paid employment, (c) elderly people moving from employment to retirement;

- ensure that job seekers benefit from an early identification of their needs, advice and guidance, job search assistance and a personalised action plan at an early stage of their unemployment spell ***and that cooperation with undertakings with a view to the identification of their requirements is improved***; *by 2005, such services should be offered to all unemployed people before they enter their 4th month of unemployment*

Amendment 32

Part A 'The overarching objectives', Heading 'Strengthening social cohesion and inclusion', paragraph 3

Policies should contribute notably to achieving a substantial reduction by 2010 in the proportion of working poor in all Member States. *deleted*

Justification

See amendment to EG 8.

Amendment 33

Part 'B. Priorities for Action', heading '1. Active and preventative measures for the unemployed and inactive', indent 2, paragraph 2

by 2005, all unemployed people are offered a new start in the form of work experience or training (combined where appropriate with on-going job search assistance) before reaching 6 months of unemployment in the case of young people most prone to becoming long-term unemployed, and 12 months of unemployment in all other cases

*by 2005, all unemployed people are offered a new start in the form of work experience or training (combined where appropriate with on-going job search assistance) before reaching 6 months of unemployment in the case of young people **and women** most prone to becoming long-term unemployed, and 12 months of unemployment in all other cases*

Justification

To eliminate the gender gaps in terms of unemployment, there is a need to highlight the fact that women are a section of the population particularly affected by long-term unemployment.

Amendment 34

Part 'B. Priorities for Action', heading '2. Foster entrepreneurship and promote job creation'

Member States will encourage the creation of more and better jobs by fostering entrepreneurship and innovation in a favourable business environment. Particular attention will be given to exploiting the job creation potential of new enterprises, of the service sector and of R&D. Policy initiatives supported by national targets will focus on:

Member States will encourage the creation of more and better jobs by fostering entrepreneurship and innovation **and investment capacity**) in a favourable business environment. **A comprehensive strategy for job creation should include policies for both growth oriented SMEs and for larger industrial enterprises and public sector organisations** . Particular attention will be given to exploiting the job creation

- Promoting education and training in entrepreneurial and management skills and providing support, including through training to make entrepreneurship a career option for all, especially for women, ***unemployed and inactive people wanting to work***;

- Simplifying ***and reducing*** administrative and regulatory burdens for business start-ups and for the hiring of staff, facilitating access to micro-credits and risk capital for start-ups and enterprises with a high growth potential (see also BEPGs, Guideline 11).

potential of new enterprises ***as well as SMEs*** of the service sector and of R&D. Policy initiatives supported by national targets will focus on:

- Identifying and supporting entrepreneurs with competence and growth ambitions which are likely to be able to provide sustainable employment of good quality for a growing number of persons;

- Promoting education and training in entrepreneurial and management skills and providing support, including through training to make entrepreneurship an ***easier*** option for all, especially for women and ***people without employment who are willing to work*** ,

- improving the business environment so as to encourage the establishment of new, and support for existing, small and medium-sized undertakings (SMEs) , in particular those with a high job-creation potential, for example in the information and communications technology sector or in the associated service sectors

- Simplifying administrative and regulatory burdens for business start-ups ***and SMEs*** and for the hiring of staff, facilitating access to micro-credits and risk capital for start-ups, ***SMEs*** and enterprises with a high growth potential (see also BEPGs, Guideline 11).

- Supporting programs to improve productivity through on-the-job training facilities, particularly in larger work organisations and developing modernisation programs for improved productivity and quality of employment in the public sector);

- Developing instruments for social certification of enterprises where employment and work quality is taken into consideration;

Amendment 35

Part 'B. Priorities for Action', heading '3. Address change and promote adaptability in work', paragraph 1

Member States will facilitate the adaptability of workers and firms to change, taking account of the need for both flexibility and security. **They** will modernise employment legislation **by relaxing overly restrictive elements that affect** labour market dynamics and the employment of those groups facing difficult access to the labour market, develop social dialogue, foster corporate social responsibility, and undertake other appropriate measures to promote:

- the **positive** management of economic change and restructuring.

Member States will facilitate the adaptability of workers and firms to change, taking account of the need for both flexibility and security. **After consulting the social partners, they** will modernise employment legislation **so as to improve** labour market dynamics and the employment of those groups facing difficult access to the labour market, develop social dialogue, foster corporate social responsibility, and - **jointly with the social partners** - undertake other appropriate measures to promote:

- the **proactive and socially responsible** management of economic change and restructuring.

Amendment 36

Part 'B. Priorities for Action', heading '3. Address change and promote adaptability in work', indent 1

- diversity of contractual and working arrangements, including on working time, favoring career progression, a better balance between work and private life and between flexibility and security;

- **given the appropriate labour and social security law guarantees**, diversity of contractual and working arrangements, including on working time, favouring career progression, a better balance between work and private life and between flexibility and security;

Amendment 37

Part 'B. Priorities for Action', heading '3. Address change and promote adaptability in work', indent 2

- better working conditions, including health and safety, and access for all workers to training; policies will aim to achieve in particular:

a 15% overall reduction in the incidence rate of accidents at work, and a 25% reduction for high risk sectors, in each Member State

- better working conditions, including health and safety, and access for all workers to training; policies will aim to achieve in particular:

*a 15% overall reduction in the incidence rate of accidents at work, and a 25% reduction for high risk sectors, in each Member State **by 2010***

Amendment 38

Part 'B. Priorities for Action', heading '3. Address change and promote adaptability in work',

indent 3

- the design and dissemination of innovative and sustainable forms of work organization;

- the design and dissemination of innovative and sustainable forms of work organisation ***in order to combine the undertakings' flexibility requirements with security, lifelong learning, better reconciliation between work and family life and improved quality of life for employees, partly with a view to achieving higher productivity; by 2010, 50% of large undertakings and 50% of medium-sized undertakings should be working on the modernisation of work organisation;***

Justification

It is important to define and justify more explicitly the need for new forms of work organisation in the light of the EU social model.

Amendment 39

Part 'B. Priorities for Action', heading '3. Address change and promote adaptability in work',
indent 4

- the positive management of economic change and restructuring.

- the positive management of economic change and restructuring, ***partly with a view to their impact on employment and job-quality.***

Amendment 40

Part 'B. Priorities for Action', heading '3. Address change and promote adaptability in work',
indent 4a (new)

- investment in and use of public services and resources to reconcile professional and private life and to manage changes and restructuring in family life, particularly in support of single-parent families.

Justification

To promote women's participation in the labour market, Member States should take practical measures to reconcile professional and private life.

Amendment 41

Part 'B. Priorities for Action', heading '4. More and better investment in human capital and

Member States will implement lifelong learning strategies, including through improving the quality and efficiency of education and training systems, in order to equip all individuals with the skills required for a modern workforce in a knowledge-based society, to permit their career development and to reduce skills mismatch and bottlenecks in the labour market.

Policies will aim in particular to achieve the following outcomes by 2010:

- *Member States should ensure that the average percentage of 25-64 years old in the EU with at least upper secondary education reaches 80% or more.*

- *increase in the participation rate of adults in education and training to 15% in the EU, with participation rates above 10% in every Member State.*

Efficient investment in human capital by employers and individuals will be facilitated, **for example** through appropriate tax treatment of expenditure on education and vocational training, and public finance will

Member States will ***in accordance with the requirements and abilities of those involved*** implement lifelong learning strategies, including through improving the quality and efficiency of education ***(including primary and secondary school systems)*** and training systems, in order to equip all individuals with the skills required for a modern workforce in a knowledge-based society, to permit their career development and to reduce skills mismatch and bottlenecks in the labour market.

Policies will aim in particular to achieve the following outcomes by 2010:

- Member States should ***seek to*** ensure that, ***without lowering attainment levels***, the average percentage of 25-64 years old in the EU with at least secondary education reaches 80% or more ***and that school-leaving certificates awarded in the various Member States are comparable.***)

- *an increase in the participation rate of adults in education and training to 15% in the EU, with participation rates above 10% in every Member State.*

- ***by improving the labour-law context, to create extended opportunities to acquire qualifications on a lifelong basis, during working time and throughout a person's entire working life, possibly through the introduction of a system of educational leave.***

- ***improved access for women to lifelong learning and to training opportunities (particularly in the new technologies) with a view to narrowing the gap between the sexes as regards access to those technologies and promoting job opportunities for women in the key information sectors.***

Efficient, ***forward-looking*** investment in human capital by employers and individuals will be facilitated, ***including*** through appropriate tax treatment of expenditure on education and vocational training, and

be re-directed towards investment in human resources in line with overall budgetary commitments.

public finance will be re-directed towards investment in human resources in line with overall budgetary commitments ***and the abolition of subsidies to industries which have no viable future.***

Amendment 42

Part 'B. Priorities for Action', heading '5. Increase labour supply and promote active ageing'
indents

- increase labour market participation by using the potential of all groups of the population, through a comprehensive approach covering in particular the availability and attractiveness of jobs, making work pay, raising skills, and providing adequate support measures;

- promote active ageing, notably by fostering working conditions conducive to job retention - such as access to continuing training and flexible forms of work organisation - ***and eliminating incentives for early exit from the labour market, notably by reforming early retirement schemes and ensuring that it pays to remain active in the labour market;***

In particular, policies will aim to achieve by 2010 an increase by 5 years, at EU level, of the effective average exit age from the labour market (estimated at 59.9 in 2001). In this respect, Member States shall set

- increase labour market participation by using the potential of all groups of the population, ***especially underemployed sections of the population such as women, immigrants, older people and people with disabilities***) through a comprehensive approach covering in particular the availability, attractiveness ***and quality*** of jobs, making work, ***higher education and training*** pay raising skills, and providing adequate ***and targeted*** support ***measures including action specifically directed to facilitating reintegration into the labour market , especially to assist women in returning to work;***

- promote active ageing, ***taking a gender-based approach in evaluating the effect of ageing***, notably by fostering working conditions conducive to job retention - such as access to continuing training and ***innovative*** forms of work organisation ***and improved health and safety at work;***

- employment programmes must also be targeted at older workers so that employers have an incentive to retain older workers in their jobs. One possible approach would be to co-finance these projects in part from the Structural Funds;

In particular, policies will aim to achieve by 2010 an increase by 5 years, at EU level, of the effective average exit age from the labour market (estimated at 59.9 in 2001). In this respect, Member States shall set

national targets which are consistent with the outcomes expected at EU level.

- and, make use of the additional labour supply resulting from immigration, in line with Community immigration policy and in a manner supporting the long-term development objectives of the countries of origin.

national targets which are consistent with the outcomes expected at EU level.

- and, make use of the additional labour supply resulting from immigration, in line with Community immigration policy and in a manner supporting the long-term development objectives of the countries of origin;

- promoting job-retention schemes for people who have become disabled in the course of their working lives.

Amendment 43

Part 'B. Priorities for Action', heading '6. Gender equality', paragraph 2

Particular attention will be given to reconciling work and family life, notably through the provision of care services for children and other dependants. ***Policies will aim to achieve, by 2010, a 33% coverage of childcare services for 0-3 year olds and a 90% coverage of childcare services for 3 years old to mandatory school age in each Member State.***

Particular attention will be given to reconciling work and family life, notably through the provision of care services for children and other dependants. ***After a period of maternity/paternity leave or of leave in order to care for dependants, both men and women will be encouraged to return to work. By means of policies relating to the provision of public services designed to meet families' childcare requirements, attempts will be made to achieve, by 2010, a 90% coverage of childcare services for all children to mandatory school age in each Member State.) and, in general, to promote policies designed to create incentives which will encourage the sharing of family responsibilities.) These figures are baseline ones and they must be adjusted according to the requirements stemming in each country from the employment rates for women laid down in the overarching objectives.***

Single parents - 80% of whom are women - should be given support in the form of guaranteed childcare (e.g. day care centres, nursery schools and crèches) so as to facilitate access to secure jobs and career planning.

Amendment 44

Part 'B. Priorities for Action', heading '7. Promote the integration of and combat the discrimination against people at a disadvantage in the labour market', paragraph 1

Member States will foster the integration of persons facing particular difficulties on the labour market, such as early school leavers, people with disabilities, immigrants, and ethnic minorities, by developing their employability, increasing job opportunities and preventing all forms of discrimination.

Member States will foster, ***through a mainstreaming approach and through specific measures***, the integration of persons facing particular difficulties on the labour market, such as early school leavers, people with disabilities, immigrants, and ethnic minorities, by developing their employability, increasing job opportunities and preventing all forms of discrimination.

Justification

In order to achieve results in combating discrimination and promoting the integration of people at a disadvantage, a combination of mainstreaming and specific measures is necessary.

Amendment 45

Part 'B. Priorities for Action', heading '7. Promote the integration of and combat the discrimination against people at a disadvantage in the labour market', indent 1

- a halving of the school dropout rates in each Member State leading to an overall reduction in the EU to 10%.

- a halving of the school dropout rates in each Member State leading to an overall reduction in the EU to 10% ***by means of an expanded range of educational opportunities tailored to the individual abilities of the persons involved;***

- a reduction by half in each Member State in the unemployment gaps for people at a disadvantage, ***according to national definitions.***

- a reduction by half in each Member State in the unemployment gaps for people at a disadvantage, ***including any measures needed to facilitate the employment of people with disabilities.***

- a reduction by half in each Member State in the unemployment gaps between non-EU and EU nationals.

- a reduction by half in each Member State in the unemployment gaps between non-EU and EU nationals.

- a 50% reduction in each Member State in the unemployment gaps between disabled people and people who are not disabled.

Amendment 46

Part 'B. Priorities for Action', heading '7. Promote the integration of and combat the discrimination against people at a disadvantage in the labour market', paragraph 2 a (new)

Since 2003 is the European Year of People with Disabilities, and since many people with disabilities do not have access to employment, special attention should be paid to, and support provided for, innovative schemes for the training of people with disabilities with a view to their being taught the skills which they require in order to enter full employment.

Justification

It is important to exploit the opportunities provided by the European Year of People with Disabilities and to develop further any existing, or new, innovative schemes for training people with disabilities.

Amendment 47

Part 'B. Priorities for Action', heading '8. Make work pay through incentives to enhance work attractiveness'

Member States and the social partners will encourage job-creation and support a wage policy aimed at balancing productivity increases and inflation and address structural pay gaps and the problem of working poor in order to make work pay and thus increase domestic demand and the number of jobs available.)

Member States will reform financial incentives with a view to make-work attractive and to encourage people to seek, take up and remain in work. They will reform tax and benefit systems and their interaction with a view to eliminating unemployment, poverty and inactivity traps, and encouraging the participation of women, low skilled workers, older workers and those furthest from the labour market in employment.

Member States will reform financial incentives with a view to make-work attractive and to encourage people to seek, take up and remain in work. They will reform tax and benefit systems and their interaction with a view to eliminating unemployment, poverty and inactivity traps, and encouraging the participation of women, low skilled workers, older workers, ***people with disabilities*** and those furthest from the labour market in employment. ***Member States will also reduce non-wage labour costs and, where appropriate, reduce the tax burden on the low paid.***

However, benefit systems should not be cut back, since they remain a crucial part of the strategy to combat social exclusion.

Whilst preserving an adequate level of social protection, they will in particular review

Whilst preserving an adequate level of social protection, they will in particular review

replacement rates and benefit duration; ensure effective benefit management, notably with respect to the link with effective job search, taking into account individual situations; consider the provision of in work benefits, where appropriate; reduce high marginal effective tax rates to eliminate inactivity traps; and reduce the tax burden on the low paid.

In particular, policies will aim at achieving by 2010 a significant reduction in the tax burden on low paid workers according to national targets.

replacement rates and benefit duration; ensure effective benefit management, notably with respect to the link with effective job search, taking into account individual situations; consider the provision of in work benefits, where appropriate; reduce high marginal effective tax rates to eliminate inactivity traps; and reduce the tax burden on the low paid.

In particular, policies will aim at achieving by 2010 a significant reduction in the tax burden on low paid workers according to national targets, ***where necessary.***

Policies should also result in a 50% reduction in working poor in all Member States by 2010.

Amendment 48

Part 'B. Priorities for Action', heading '9. Transform undeclared work into regular employment', paragraph 1

Member States will develop and implement a broad policy mix to eliminate undeclared work, which combines simplification of the business environment, removing disincentives and providing appropriate incentives in the tax and benefits system, improved law enforcement capacity and the application of sanctions. They will invest in the development of the statistical basis at national and EU level to measure the extent of the problem and progress achieved at national level.

Member States will develop and implement a broad policy mix to eliminate undeclared work, which combines simplification of the business environment, removing disincentives and, ***with due account being taken of the maintenance of the social security system,*** providing appropriate incentives in the tax and benefits system, the ***development of a specific status for jobs which are difficult to cover within the normal system, such as domestic service,*** improved law enforcement capacity and the application of sanctions. They will invest in the development of the statistical basis at national and EU level to measure the extent of the problem and progress achieved at national level.

Justification

Many forms of undeclared work, such as domestic service, are difficult to cover in the current system. The establishment of an appropriate status must facilitate transfer from undeclared work to work covered by the normal system.

Amendment 49

Part 'B. Priorities for Action', heading '9. Transform undeclared work into regular

Policies will aim to achieve by 2010 a substantial reduction in undeclared work in each Member State, based on an improved statistical basis.

Policies will aim to achieve by 2010 a substantial reduction in undeclared work, with specific attention being paid to the sectors where the amount of undeclared work undertaken by women is very high, such as agriculture or domestic service. Special attention must also be given to the working conditions of immigrant women.

Amendment 50

Part 'B. Priorities for Action', heading '10. Promote occupational and geographical mobility and improve job matching'

10. Mobilising the labour resources

10. Mobilising the labour resources

In order to reduce local and regional employment disparities Members States will give priority to mobilising policies for bottom-up innovation and job creation in low performing territorial areas. This can be done by supporting broad partnerships for development and joint enterprise networks for development, and developing local and regional action plans for employment. Member States will take into account the active role played by the social economy and third sector with regard to local labour markets and the development of a local dynamic in terms of social inclusion, entrepreneurship and economic activity (particular in the services sector).

Member States will address labour shortages, bottlenecks, and **regional** employment **and unemployment disparities**, by promoting occupational mobility and removing obstacles to geographic mobility, especially by implementing the Skills and Mobility Action Plan, improving the recognition and transparency of qualifications and competencies, the transferability of social security and pensions rights, providing appropriate incentives in tax and benefit systems, and by harnessing the potential of immigration.

Member States will, **where appropriate**, address labour shortages, bottlenecks, and **other employment barriers**, by promoting occupational mobility and removing obstacles to geographic mobility, especially by implementing the Skills and Mobility Action Plan, improving the recognition and transparency of qualifications and competencies, the transferability of social security and pensions rights, providing appropriate incentives in tax and benefit systems, and by harnessing the potential of immigration.

Amendment 51

Part 'B. Priorities for Action', heading '10. Promote occupational and geographical mobility and improve job matching', paragraph 2 a (new)

The transparency of job and training opportunities at national and European level should be promoted in order to support effective job matching. In particular, by 2005, jobseekers throughout the EU should be able to consult all job vacancies advertised through Member States' employment services.

The transparency of job and training opportunities at national and European level should be promoted in order to support effective job matching. In particular, by 2005, jobseekers throughout the EU should be able to consult all job vacancies advertised through Member States' employment services.

Policies will aim at reducing regional employment disparities with 10 % annually until 2010.

Justification

The EG should be accompanied by a concrete target.

Amendment 52

Part 'C. Promoting better governance, partnership and delivery', paragraph 1

Member States will ensure the effective implementation of the Employment Guidelines, including at the regional and local level.

Member States will ensure the effective implementation of the Employment Guidelines, including at the regional and local level ***and the implementation of the gender-mainstreaming approach. In order to improve legitimacy and implementation each Member State should present its National Action Plan for Employment for discussion and adoption by the parliamentary assembly, or assemblies, with relevant competence for employment policies in the respective Member State.***

Amendment 53

Part 'C. Promoting better governance, partnership and delivery', paragraph 2

With due respect to different national traditions and practices, ***close involvement of relevant parliamentary bodies in the implementation of the guidelines should be ensured. In addition***, all main stakeholders, including civil society, should play their full part of the European

With due respect to different national traditions and practices all main stakeholders, including civil society, should play their full part of the European Employment Strategy. ***All national administrations should also establish specific European Employment Strategy***

Employment Strategy.

Committees, on which the social partners should be represented.

Justification

Consequence of the addition to the previous paragraph.

Amendment 54

Part 'C. Promoting better governance, partnership and delivery', heading 'Effective and efficient delivery services'

Member States shall ensure the capacity of operational services to deliver employment policy objectives and priorities in an efficient and effective way. This requires in particular a modern system of Employment Services working in close co-operation with Social Re-integration services; the availability of quality services supporting life-long learning; and Labour inspectorates promoting better work conditions.

Member States shall ensure the capacity of operational services to deliver employment policy objectives and priorities in an efficient and effective way. This requires in particular a modern ***and efficient*** system of Employment Services working in close cooperation with Social ***and Professional*** Reintegration services; the availability of quality services supporting life-long learning; and Labour inspectorates promoting better work conditions.

Amendment 55

Part 'C. Promoting better governance, partnership and delivery', heading 'Adequate financial allocations' paragraph 1

Member States will ensure that adequate financial resources are allocated to the implementation of the Employment Guidelines, while complying with ***the need for*** sound public finances ***in line with*** the Broad Economic Policy Guidelines.

By making a corresponding commitment as part of an active labour market policy, the Member States will ensure that adequate financial resources are allocated to the implementation of the Employment Guidelines, while complying with sound public finances ***and*** the Broad Economic Policy Guidelines.

Amendment 56

Part 'C. Promoting better governance, partnership and delivery', heading 4 a (new) and new paragraph

Statistics and Indicators to measure progress

Member States will ensure that statistical indicators are set for the various priorities for action so as to ensure that the targets are clear and that effective means are

provided for monitoring these targets.

Justification

Statistics and indicators constitute an essential tool with which to measure progress in the areas covered by the objectives and to meet the overall targets established. In some areas, such as participation of disadvantaged groups and groups suffering from discrimination, statistics are scarce, although they are essential for the evaluation of policy needs. Indicators are especially important in measuring the employment gaps affecting groups at a disadvantage in the labour market.

EXPLANATORY STATEMENT

After promising results during recent years the European Employment Strategy (EES) now faces new challenges relating to the economic stagnation and the coming expansion of the European Union. In this situation it is all the more important to continue the strategic path drawn up by the Lisbon summit and further developed by later summits, that is to confirm the ambition to create a modern and dynamic knowledge based economy in Europe.

This will presuppose an economic policy which favours investment growth and activity expansion in a mid-term perspective, so that the resources for ambitious job creation programs and other employment policies are made available.

The overarching objectives:

The rapporteur welcomes the idea to select a few overarching objectives to guide the choice and formulation of the priority guidelines for action. The three selected objectives make up the core of the Lisbon employment strategy and are mutually reinforcing each other.

Full employment.

It is very important to insist that the EES should aim for full employment, not just “more” employment, because “full” signifies the right of each and every person to have a paid job. It is also welcome that the Commission proposes targets on employment rate improvements. It is however equally important to have overarching targets for unemployment rates, because it is perfectly possible to have improving employment rates without any reduction of unemployment, for instance when women enter the labour market or when elderly decide to postpone their retirement.

Work of good quality.

Given the Lisbon strategy for an expansive knowledge economy it is of decisive importance to stress the quality ambition. In a world market replete with cheap-labour based production the EU and its Member States should opt for high quality production based on jobs of good quality in firms and workplaces of high quality, with good management, efficient organisation and a high level of productivity and, last but not least, a constructive social dialogue between social partners whose rights are well defined.

Social cohesion and inclusion

The French sociologist Emile Durkheim pointed out that a contract - like the business contract and the labour contract – is workable only to the extent that the parties have a common understanding of its obligations and if they have a sufficient level of trust for one another. The labour market rests on social institutions such as the social dialogue partnership, the gender equality contract and the principle of territorial solidarity. These are the foundations of social cohesion which make it possible to negotiate industrial conflicts, to expand the female employment rate while at the same time reconciling work and family life and to deal with regional and local employment disparities.

It is due to this social cohesion that there is a broad political consensus to place social inclusion as one of the priorities of the EES. People at a disadvantage, be it due to lack of occupational skills, personal disabilities, habitation in peripheral regions, ethnic discrimination or other factors, should be given the political support needed to provide them with work opportunities, income and social acceptance.

Priorities for action

Activation policies

Activation policies have been gradually refined with growing emphasis on early intervention, personal counseling and in the present guideline proposal also a refined approach to the sequence from problem identification to final regular employment.

We have been used to seeing individual persons as policy objects, but there is an interesting tendency to focus instead on specific kinds of situations. The large part of all employment problems arise in transitions, such as going from school to regular employment, from household work to employed work, from rural regions to urban areas and from regular work to retirement. These four transitions are handled with varying success in the Member States and often without distinguishing sufficiently between the situations. Is it education and training, or flexible working arrangements, or economic incentives, or other measures that are needed in the respective situation? Considerable improvement is possible here and the guidelines point in the right direction.

Job creation policies

Needless to say activation policies must be balanced with a variety of job creation policies. The dominant approach in the EES has been to support entrepreneurship and SMEs. The rapporteur is in favour of such policies, but insists that they must be compatible with the Lisbon strategy and its emphasis on quality and productivity. We have a very large number of small firms in Europe which are based on low labour costs and low productivity, which have little growth capacity. New such enterprises have poor survival rates and those which do survive often produce little value added to the economy as a whole.

Therefore our policies have to be selective. We should support entrepreneurs and enterprises which are based on competence, have growth ambitions and are oriented towards quality product markets.

This means, to say it bluntly, that we should not give priority to the creation of firms which have low productivity, pay low wages, cannot afford the tax levels which are paid by competitors, and whose main business idea is to exploit cheap labour. We do not want to promote jobs which according to the 10 quality dimensions worked out by the Commission are likely to be of low quality.

For the individual employer it is of course tempting to meet economic stagnation with wage cost and quality reduction programs to cut production costs, but if many employers feel forced to go in this direction, the result will be reduced quality, shrinking demand and a generally weakened economy and employment situation. Thus it must be a responsibility for the politicians to create the basis for more constructive modes of adaptation and to support policies which provide incentives for sustainable quality production programs.

It is comforting to see that "The European Charter for Small Enterprises" supports these kinds of quality aspects and asks for constructive business support policies.

However, the focus on individual entrepreneurship and SMEs in the EES is too narrow. A large part of the employment in Europe is in large corporations and job creation strategies must include these as well. The Commission approach to industrial policies (C5-0153-03) has

next to nothing to say about employment, so here is a clear need for DG employment to take initiatives.

Similarly do we need special employment policies for the public sector, connected to the policies for the modernization of public service production. Also here there is a choice between saving and downsizing policies and innovative, quality based policies for the improvement and expansion of services of general interest. This is an important challenge for the future of the EES.

Particular emphasis should be given also to local and regional development strategies. All jobs are in a sense local and many of them provide goods and services for local and regional markets, which tend to be less sensitive to business cycles and macro-economic ups and downs. Development strategies for innovation and job creation in regions with high unemployment and lack of opportunity should be supported with a view to mobilizing existing resources and combining them in partnerships and production networks for mutual support and cooperation. When these strategies are not sufficient and relevant, we need policies to support labour mobility so as to balance labour supply and demand across territorial boundaries.

Implementation.

Implementation takes place in the Member States.

The first necessity is to connect the EES to the national employment policies, which are proposed by governments and adopted by parliamentary assemblies. Today the parliaments are virtually excluded from the EES process. This means that the EES is not considered when the national employment budgets are decided. The Commission proposes “close involvement of relevant parliamentary bodies”, but the rapporteur wants to be more precise and suggests that the guidelines should contain a recommendation to the Member States that their parliaments should discuss and adopt the National Action Plans.

Inside the Member States there may be long distances from central government to regional and local activities. There is a tremendous need for bottom-up approaches to mobilize local and regional competence and commitment for economic development and employment growth. It would be very useful if the OMC was not only existing in the thin air of European cooperation, but also inside the Member States, as a means to open the administration and introduce things like peer reviews, best practice comparisons, horizontal communication and other elements of interactive learning strategies.

The new Member States will have to take over the employment guidelines as part of the acquis. This will be problematical for them, but not more so in the field of employment than in other policy fields. For the EES, however, the enlargement will bring some new difficulties, both with regard to policy substance and in terms of methodology. New labour market situations will have to be faced, the policy coordination strategies will have to be adapted to the new situation, and new challenges with respect to policy orientation may have to be faced.

The Commission has chosen not to address these questions in the present guidelines proposal even though it is supposed to be largely unaltered for the coming three years. They do have to be addressed in other contexts.

