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Committee on Economic and Monetary Affairs

2007/2023(INI)

5.6.2007

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Employment and Social Affairs

on modernising labour law to meet the challenges of the 21st century
(2007/2023(INI))

Draftswoman: Donata Gottardi

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SUGGESTIONS

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

1. Stresses the need to investigate social, economic and legislative innovations which respect and promote the Community *acquis* - involving all stakeholders and on the basis of collective agreements, as required at institutional level - and considers that it is necessary to change the way in which work is organised and to promote a working culture based on trust, dignity, responsibility, security and flexibility;
2. Stresses the social and economic importance of getting more people into employment; underlines that high unemployment in Europe today undermines wealth and future prosperity as well as European competitiveness, and, even more importantly, creates social segregation and division between employed and unemployed people and, for unemployed individuals, without doubt, leads to isolation, dependence and reduced self-esteem;
3. Underlines that the European economy needs more people in employment in order to be able to compete globally and to fulfil the promises of social security;
4. Emphasises that the high level of unemployment in Europe is a failure which calls for actions making it easier for more people to enter the labour market, increasing mobility on the labour market and making it easier for individuals to change jobs without losing security;
5. Calls for reforms making it more important to stay on the labour market, reducing the risks of poverty traps and segregation;
6. Sets the objective of creating 'more and better jobs' with a view to using growth and competitiveness to improve living and working conditions and pursuing development with due respect to social cohesion and sustainability for the benefit of future generations, changes arising from globalisation, demographic challenges, new technologies and the service economy; emphasises that the efficient labour market is a precondition to achieving these objectives; calls for the creation of a flexible environment as a precondition for achieving growth and competitiveness;
7. Stresses the importance of guaranteeing consistency between progress in the field of labour law achieved with EU harmonisation through directives and collective agreements and the open coordination method, with particular attention to the new Member States, and urges the Commission to take account of the persisting differences between national labour markets with a view to strengthening the project of creating a competitive, innovative and inclusive Europe;
8. Welcomes the approach taken to undeclared work and the underground economy which- although present to a varying extent in the different Member States - damage the productive system, are detrimental to consumers, reduce tax revenues and lead to unfair competition between firms; believes that the European Union has an important role to

play in combating the trafficking of workers and to ensure the non-discrimination of EU citizens in labour law in all Member States; calls for a reinforcement of checks aimed at detecting undeclared work;

9. Shares the Commission's strategy towards combating undeclared work through the strong coordination between government enforcement agencies, labour inspectorates, social security administrations and tax authorities and calls on the Member States to use innovative methods based on indicators and benchmarks specific to the different business sectors in order to fight against undeclared work and fiscal erosion;
10. Considers that it is necessary to strike a fair balance between flexibility and security by taking into account the requirements and situation of firms and employees and notes that both firms and employees each require flexibility and security from one another; reiterates the need for flexibility whether in terms of types of employment or working hours thus creating the conditions for workers to access and stay in the labour market; points to the need to consider the issue of reallocating roles and reconciling professional, family and personal commitments; considers that it is necessary to take account of all forms of employment, including the caring professions and voluntary work;
11. Underlines that active labour market policies can be a more efficient way to protect workers against labour market risk and that in order to strike a balance between flexibility and security, there is therefore a need for adequate resources - in terms of amount and duration - for unemployment benefit and the simultaneous operation of a network of interventions and facilities for the training and retraining of the labour force; calls on the Member States to put in place specific measures and actions to ease professional transitions by combining active labour policies and life-long training and by promoting shared responsibility between employers and employees in the allocation and redistribution of resources and costs;
12. Draws attention to the need to devise means of adjusting safeguards rather than merely extending or reducing them, and expresses concern at the risks involved in transferring the burden to the public budget, and the potential implications for the stability and growth pact;
13. Emphasises that rules on employment protection and active employment policies should aim at improving the employment prospects of those who have a disadvantaged position and problems in gaining a foothold in the labour market such as young people, women and older workers;
14. Notes however that smaller employers often cite inflexibility in employment regulation as a deterrent to expansion and the recruitment of new employees and that the costs and difficulties of terminating employment, for justified reasons, sometimes lead to inaccurate references being given to potential future employers or the retention of inappropriate employees and that these factors can have an economic effect upon competitiveness which is of consequence to society as a whole;
15. Notes the need to pursue active employment policies based on life-long learning rather than on employees resorting to training only at times of crisis, in the conviction that the employability and adaptability of the labour force create security both for firms and for

workers and are vital for the competitiveness of a knowledge-based economy; notes that the development of skills and the acquisition of qualifications are in the interests of firms and employees; notes that the social partners made a statement to that effect in the 2006 'Framework of Action'.

PROCEDURE

Title	Modernising labour law to meet the challenges of the 21st century	
Procedure number	2007/2023(INI)	
Committee responsible	EMPL	
Opinion by Date announced in plenary	ECON 15.2.2007	
Enhanced cooperation – date announced in plenary		
Drafts(wo)man Date appointed	Gottardi Donata 13.3.2007	
Previous drafts(wo)man		
Discussed in committee	8.5.2007	4.6.2007
Date adopted	5.6.2007	
Result of final vote	+: 37	-: 0
	0: 3	
Members present for the final vote	Gabriele Albertini, Zsolt László Becsey, David Casa, Christian Ehler, Jonathan Evans, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Karsten Friedrich Hoppenstedt, Piia-Noora Kauppi, Astrid Lulling, Cristobal Montoro Romero, Joop Post, John Purvis, Alexander Radwan, Ivo Strejček, Pervenche Berès, Udo Bullmann, Ieke van den Burg, Donata Gottardi, Joseph Muscat, Dariusz Rosati, Antolín Sánchez Presedo, Manuel António dos Santos, Sharon Bowles, Sophia in 't Veld, Andrea Losco, Margarita Starkevičiūtė, Dariusz Maciej Grabowski, Guntars Krasts, Eoin Ryan, Heide Rühle, Sahra Wagenknecht, Cristian Stănescu.	
Substitute(s) present for the final vote	Ján Hudacký, Werner Langen, Maria Petre, Andreas Schwab, Katerina Batzeli, Harald Ettl, Gianni Pittella.	
Substitute(s) under Rule 178(2) present for the final vote		
Comments (available in one language only)		