



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Employment and Social Affairs

2010/2099(INI)

30.9.2010

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Economic and Monetary Affairs

on improving the economic governance and stability framework of the Union,
in particular in the euro area
(2010/2099(INI))

Rapporteur: David Casa

(Initiative – Rule 42 of the Rules of Procedure)

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible:

I. to incorporate the following suggestions in its motion for a resolution:

- having regard to Article 148 of the Treaty on the Functioning of the European Union,
 - having regard to the Commission proposal of 27 April 2010 for a Council Decision on guidelines for the employment policies of the Member States: Part II of the Europe 2020 Integrated Guidelines (COM(2010)0193), and its resolution of 8 September 2010¹ in respect thereof,
- A. whereas strengthening economic policy coordination and governance has become a crucial necessity in order to foster sustainable and job-creating growth in the Union and to ensure social cohesion,
- B. whereas employment policies have a central role to play in stimulating growth and competitiveness in the European social market economy by preventing macroeconomic imbalances and ensuring social inclusion and income redistribution,
- C. whereas the European social model is an asset for world competition, which has been weakened by the economic competitiveness divergences between Member States,
- D. whereas budget consolidation is likely to be to the detriment of public services and social protection,

II. to incorporate the following recommendations in the annex to its motion for a resolution:

On establishing a framework for multilateral surveillance

1. Establish a sound and transparent surveillance framework composed of two pillars - economic policies and employment policies - based on Articles 121 and 148 TFEU. Under the employment pillar, as part of the revised and reinforced European Employment Strategy, such a framework should enable the assessment of the appropriateness of employment policies in the light of the Guidelines for the Employment Policies so as to allow the formulation of genuine guidance, taking into account the European dimension and spill-over effects, and their subsequent translation into domestic policymaking. In addition, timely recommendations of a preventive nature should be established in order to address the main weaknesses and challenges faced by Member States' employment policies and labour markets.
2. Include employment targets, in particular concerning the youth employment rate and poverty reduction, on the scoreboard, given that these targets will not be met only by

¹ Texts adopted, P7_TA(2010)0309.

taking into account the employment situation; monitor the way in which these targets are pursued.

3. Ensure better coordination between the national convergence programmes, the Europe 2020 strategy and the Guidelines for the Employment Policies of Member States as well as the national reform programmes.
4. Strengthen the role of the Employment Committee, as provided for in Article 150 TFEU – in particular in addressing cross-border employment issues – and the role of the Social Protection Committee as provided for in Article 160 TFEU.
5. Define at the same time, in an integrated manner, the purposes of the programmes of the Europe 2020 strategy and the Stability and Growth Pact and state how they are to be implemented, so that the employment, social inclusion, growth and competitiveness objectives are achieved, as a matter of priority, with the financial resources provided for in the medium-term objective (MTO), with a view to financial consolidation over the medium and long term.
6. In all budgetary assessments, structural reforms undertaken by Member States should explicitly be taken into account, in particular pension, health care and social protection reforms aimed at addressing demographic developments, as well as those concerning assistance, education and research, equal weight being given to sustainability and adequacy. An assessment should also be made of the employment and social impact of those reforms, especially on vulnerable social groups, so that no rules are laid down without a prior assessment of their impact on employment and social protection in the Member States.
7. Activate the horizontal social clause of the Lisbon Treaty, taking into account social rights and social objectives when defining new EU policies.
8. Ensure that the European Semester enables a genuine and timely contribution to a structured social dialogue by all relevant stakeholders, such as the national parliaments and the local or regional authorities, the European Parliament, the social partners and the representatives of civil society.
9. Establish a macroeconomic social dialogue system in connection with the European Semester, in particular within the euro zone, involving the representatives of the trade unions, businesses, the European Central Bank, the European Parliament, the Commission and the Council.
10. Make provision for the European Parliament to be appropriately involved in the surveillance cycle of economic and employment policies and the assessment of the social impact of those policies. In this context, the timing and process of adoption of Integrated Guidelines, in particular the Guidelines for the Employment Policies should be framed in such a way as to allow the European Parliament the necessary time to fulfil its consultative role under Article 148(2) TFEU.
11. Introduce a sound and transparent monitoring and evaluation framework for the Guidelines for the Employment Policies based on EU headline targets, to be followed

up with appropriate sub-targets, indicators and scoreboards, taking account of the specific features arising for each Member State in line with the different starting points for each country.

12. Introduce a sound and transparent monitoring and evaluation framework for Member States' development policies, in terms of boosting competitiveness and the creation of new, permanent, high-quality jobs.
13. National employment policies and the anti-poverty target should be included on the scoreboard and be assessed by the specialist bodies of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO), in particular the Employment and Social Protection Committees.
14. Call on the EPSCO and ECOFIN formations of the Council and their respective working parties to strengthen their cooperation, also by holding joint biannual meetings to ensure that their policies are genuinely integrated.
15. Supplement the scoreboard with alternative indicators to describe growth and to assess whether it meets the targets set by the Europe 2020 strategy.
16. Establish a high-level group, chaired by the Commission, that is responsible for developing a strategic, pragmatic approach with a view to harmonising the rules on combating social fraud, i.e. all voluntary behaviour that seeks to obtain undue advantages with the intention of eluding law enforcement.

On strengthening the rules of the Stability and Growth Pact (SGP)

17. Implement a system of incentives as well as of sanctions which does not undermine the democratic participation of all Member States in decision-making, whilst strongly considering the social consequences of that system. Using the EU budget as complementary leverage to ensure compliance with the key macroeconomic conditions, such a system should, however, exclude any budget lines aimed at improving the qualifications and the employment and social conditions of workers, in particular the European Social Fund (ESF) and the Globalisation Adjustment Fund (EGF), as well as education and exchange programmes such as Erasmus and Leonardo. In addition, the system should clearly distinguish between funds which are attributed to national budgets and those targeted at individual workers and citizens.

On financial market regulation

18. Encourage measures supporting long-term investment policies and sound remuneration policies that focus on long-term sustainable growth, creating high-quality employment, rather than on short-term gains and prevent the practices in the financial sector, especially in the banks and in some listed companies, which have resulted in disproportionately high remuneration and which are based on securing short-term profits, through the creation of high risk business models to the detriment of workers and savers, as well as to the financial stability of European markets. Such initiatives should be applied throughout the financial sector.

19. Strengthen legal instruments that enable social dialogue to be developed in undertakings, in particular with workers' representatives, so that workers receive full information, especially on financial matters, and that the decisions taken are concerted.

On improving the reliability of EU statistics

20. Ensure the availability at Union level and increase the timeliness of employment and social situation statistics and data relevant to the proposed governance framework.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.9.2010
Result of final vote	+: 35 -: 6 0: 1
Members present for the final vote	Pervenche Berès, Milan Cabrnock, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Tadeusz Cymański, Frédéric Daerden, Proinsias De Rossa, Frank Engel, Sari Essayah, Ilda Figueiredo, Pascale Gruny, Marian Harkin, Roger Helmer, Nadja Hirsch, Vincenzo Iovine, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Rovana Plumb, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Traian Ungureanu
Substitute(s) present for the final vote	Georges Bach, Edite Estrela, Kinga Göncz, Richard Howitt, Gesine Meissner, Csaba Sógor, Emilie Turunen, Gabriele Zimmer