

Opinion of the European Economic and Social Committee on the Proposal for a Council Decision on guidelines for the employment policies of the Member States (under Article 128 of the EC Treaty)

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(2008/C 162/24)

On 17 January 2008 the Council decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

Proposal for a Council Decision on guidelines for the employment policies of the Member States (under Article 128 of the EC Treaty)

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 29 January 2008. The rapporteur was **Mr Greif**.

At its 442nd plenary session, held on 13 and 14 February 2008 (meeting of 13 February), the European Economic and Social Committee adopted the following opinion by 147 votes to five, with seven abstentions.

1. Conclusions and recommendations

1.1 The EESC has welcomed the new integrated approach and multi-annual cycle both in its opinion on the adoption of the guidelines for 2005-2008 ⁽¹⁾ and in numerous other opinions, and pointed out, *inter alia*, that national parliaments, the social partners and civil society must be genuinely consulted and involved in all stages of employment policy coordination.

1.2 The EESC has pointed out that one key to the success of the national reform programmes is the widest possible involvement of all relevant social players — in particular the social partners — in every phase of the process. In this regard, the Committee has expressed regret that, in the last few years, the level of consultation with the social partners and debate with civil society has not been satisfactory. The EESC therefore feels it is important to strengthen industrial relations systems at EU and national level.

1.3 Against this background, the Committee regrets once again that the extremely tight timetable between the publication of the proposal for a Council Decision and the decision itself does not allow sufficient time for in-depth discussion and consultation. The Committee therefore reserves the right to revisit the strategy in the light of the 2008 Spring Summit.

1.4 The Committee has made numerous proposals concerning the previous set of Employment Guidelines within the European Employment Strategy in various opinions. Anticipating the limited timetable outlined, the EESC put together all of these proposals in a compilation which was sent to, and was well-received by, the relevant Commission services ⁽²⁾.

1.5 Although the guidelines have by no means lost their basic validity the Committee notes that the new set of

employment guidelines is identical to the previous package. The accompanying text, however, has been slightly updated and a few of the Committee proposals are reflected in the text.

1.6 The Committee suggests that the Commission produces an annex with a list of all quantifiable targets in the guidelines as a matter of standard procedure in order to make them more transparent.

1.7 Given the timescales involved, the Committee reiterates its main views on certain aspects that need to be accounted for in the decision, arising from a general need to adapt the Employment Guidelines. These are set out in the summary of proposals below ⁽³⁾.

⁽³⁾ The following opinions are quoted in the summary: EESC opinion of 25.4.2007 on the *Proposal for a Council Decision on guidelines for the Employment Policies of the Member States*, rapporteur: Ms O'Neill (OJ C 168 of 20.7.2007); EESC opinion of 12.7.2007 on *Employment of priority categories (Lisbon Strategy)*, rapporteur: Mr Greif (OJ C 256 of 27.10.2007); EESC opinion of 26.10.2005 on the *Communication from the Commission to the Council on European policies concerning youth — Addressing the concerns of young people in Europe — Implementing the European Youth Pact and promoting active citizenship*, rapporteur: Mrs van Turnhout (OJ C 28 of 3.2.2006); EESC opinion of 13.9.2006 on the *Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions — A Roadmap for equality between women and men 2006-2010*, rapporteur: Ms Attard (OJ C 318 of 23.12.2006); EESC opinion of 11.7.2007 on *Employability and entrepreneurship — The role of civil society, the social partners and regional and local bodies from a gender perspective*, rapporteur: Mr Pariza Castaños (OJ C 256 of 27.10.2007); EESC opinion of 17.1.2007 on *Equal opportunities for people with disabilities*, rapporteur: Mr Joost (OJ C 93 of 27.04.2007); EESC opinion of 26.9.2007 on *Promoting sustainable productivity in the European workplace*, rapporteur: Ms Kurki (OJ C 10 of 15.1.2008); EESC opinion of 11.7.2007 on *Flexicurity (internal flexibility dimension — collective bargaining and the role of social dialogue as instruments for regulating and reforming labour markets)*, rapporteur: Mr Janson (OJ C 256 of 27.10.2007); EESC opinion of 17.5.2006 on *Proposal for a Council Decision on guidelines for the employment policies of the Member States*, rapporteur: Mr Greif (OJ C 195 of 18.08.2006); EESC opinion of 30.5.2007 on the *Proposal for a Recommendation of the European Parliament and of the Council on the establishment of the European Qualifications Framework for lifelong learning*, rapporteur: Mr Rodríguez García -Caro (OJ C 175 of 27.7.2007); EESC opinion of 6.4.2005 on the *Proposal for a Recommendation of the Council and of the European Parliament on further European cooperation in quality assurance in higher education*, rapporteur: Mr Soares (OJ C 255 of 14.10.2005).

⁽¹⁾ EESC opinion of 31.5.2005 on the *Proposal for a Council Decision on guidelines for the employment policies of the Member States, in accordance with Article 128 of the EC Treaty*, rapporteur: Mr Malosse (OJ C 286 of 17.11.2005).

⁽²⁾ A booklet with the proposals of the EESC will be published imminently. For EESC opinions on employment and related issues, see http://eesc.europa.eu/sections/soc/index_en.asp.

2. Summary of specific EESC proposals

2.1 Ambitions and measurable targets

The Committee reiterates the need for:

- much more ambitious, effective and measurable targets which can be benchmarked in the new guidelines at EU and Member State level, and for more enforcement powers for the Commission; in this context, serious efforts should be made to avoid watering down the goals of the new Lisbon strategy and therefore to focus again on quantitative European targets, in particular in the fields of activation, education and life-long learning, youth employment and gender equality;
- a timetable and process that can be properly circulated to all relevant stakeholders in order to ensure maximum participation and allow sufficient time for responses at EU and national level at the development stage; above all, in this context, the involvement of the social partners, civil society and the EESC at the earliest possible stage in the development and implementation of the guidelines, as well as in the follow-up;
- an improvement in data collection, facilitating monitoring and evaluation by both Member States and the Commission;
- National Reform Programmes that include more concrete evidence of defined objectives, timescales, cost and budget provision in this way becoming more ambitious with noticeable qualitative improvement with regard to timing, responsibility, commitment of resources and financing, including specific objectives for the earmarking of appropriate budgetary resources for active labour-market policy in the individual Member States;
- stronger emphasis on the inclusion of people with special needs, with specific targets and greater recognition of social policy requirements; in this context, much more effort must be made to ensure that the positive developments in the economic and employment fields also reinforce social inclusion within the Lisbon strategy; for this reason, there should be much more emphasis on the common social objectives of Member States to promote active social inclusion (e.g. fighting poverty and the exclusion of people and groups that are most marginalised) in the new set of guidelines.

2.2 Youth employment

The Committee reiterates the need for:

- targets for each Member State to reduce the number of young people unemployed by a minimum of 50 % in the period 2006-2010 in order to make it clear that fighting youth unemployment requires more efforts by all stakeholders;
- a much stronger emphasis on integrating young people into the labour market, with a guarantee of a first job with future

prospects; and, in this context, on the implementation of measures that reduce the risk of young people remaining trapped in short-term and insecure employment;

- a much more rigorous and focused approach to vocational training, to build employment pathways for young people, and to life-long learning to reduce youth unemployment; the basis of education as it relates to the modern labour market is also a major issue in that basic and intermediate skills are lacking and there is a mismatch between skills and qualifications in relation to the employment market;
- the development of social protection systems that enable young people to be in a position to make choices to determine their own future; in this context, measures to promote the social inclusion of young people, in particular to combat the problem of young people who are not in education, training, employment or registered as unemployed;
- a reduction in the level of early school leaving by 50 % in the period 2006-2010 and the promotion of work experience in companies;
- the development of appropriate incentives and support for firms to employ more young people and older workers experiencing particular difficulties in finding employment;
- a reduction in the maximum six-month period of seeking employment/training places after which young people are offered a new start (it is noted that under Guideline 18 this period will be reduced to 4 months by 2010);
- the promotion of equality, support for people with disabilities and the integration of immigrants.

2.3 Gender equality

The Committee again stresses that:

- common priorities in the coordination of employment policies are necessary to increase the female participation rate; inter alia, there should be concrete policy proposals aimed at encouraging single parents to develop marketable skills and to facilitate their access to employment;
- the social partners should be consulted on the aspects concerning the incorporation of gender criteria;
- national governments, national equality bodies and the social partners of all Member States have a clear obligation to ensure that the pay systems they put in place do not lead to pay discrimination between women and men; in this context, the EU guidelines should reinforce, both at national and company levels, objectives for equal pay between men and women, by means of specific indicators; consequently, targets should be introduced to reduce the gender gap as regards access to vocational and technological training, and reduce wage differences at the time of recruitment;

- there is a need for measures to eliminate existing labour-market discrimination and the structural causes of gender-specific income disparities, especially the promotion of social safeguards for women, via measures to reduce short-term, insecure part-time work and to improve the regulation of part-time work (e.g. extension of the right to part-time work for parents, with the right to return to full-time work later; improved involvement in in-house further training programmes);
 - new specific objectives are needed for gender equality in employment policies, with qualitative and quantitative indicators, to eliminate gender stereotyping and restrictions on women starting a career in specific sectors and becoming entrepreneurs (*);
 - the national curricula should include entrepreneurship education at second and third levels, especially among females, and that measures should be taken to increase the number of female graduates in scientific/technical disciplines in order to address the employment gender gaps that exist in technical areas like engineering and ICT-related services;
 - more attention should be given to gender equality and the need to balance work and family life; in this context, it is necessary to reduce the gender-specific segmentation of the labour market, especially through effective measures for reconciling career and family (in particular massive development of widely available, high-quality and affordable child-care facilities and various forms of support for those in need of care and their families, including 24-hour facilities);
 - there is a need to effectively promote shared parenting (especially incentives for increasing the father's contribution to parenting) and to eliminate family-policy measures that encourage parents to leave the labour market permanently or for long periods of time; parents should be enabled to return to the labour market; parental leave allowances should not adversely affect income, create incentives for women to leave work or create new obstacles to the sharing of childcare by both partners.
- physically and mentally capable of remaining longer in active employment, particularly by encouraging older workers to be more involved in further training and by reducing pressures at work and adapting working conditions (e.g. incentives to develop health protection in the workplace, widely available company health promotion, preventative medicine and employee protection programmes);
 - measures to raise awareness of the value of older workers (appreciation of experience and transfer of skills acquired in the course of a working life to younger workers) and advice and support for companies, especially SMEs, in forward personnel planning and the development of forms of work organisation favourable to older workers;
 - a higher priority for disability issues in national reform plans and greater involvement of national disability associations in drawing up the reform plans; in this context the Commission was asked to analyse the impact and exploit possible synergies that flexible working and supportive measures may create for increasing the employment rate of people with disabilities;
 - strengthening and monitoring the implementation of immigration policies and the impact on national workforce planning; particular attention should be paid here to individual (pre-)school support and early investment in language and vocation-related skills as well as to the elimination of institutional obstacles to and discrimination regarding labour market access in the Member States and prevention of wage dumping;
 - monitoring and action in order to ensure that a balance of skilled and qualified workforce is retained to ensure sustainability; whilst the EESC supports the mobility of workers across the Member States, it is concerned about the impact that the transfer of skilled workers and the withdrawal of competence from one EU country to another has on the country of origin.

2.4 Older workers, disabled workers, immigrant workers

The Committee has called for:

- greater efforts to combat the many continuing forms of discrimination and disadvantage suffered on grounds of age, gender, disability or ethnic background, particularly with regard to access to education, access to the labour market and continuing employment; existing EU legislation and its implementation should be properly monitored;
- more attention on the impact of demographic change and the challenges of an ageing workforce; in this context, more investment in the quality of jobs and in working conditions favourable to older workers; in order to make workers

(*) In this context see also the following opinions: EESC opinion of 6.7.2006 on *Fostering entrepreneurial mindsets through education and learning*, rapporteur: Ms Jerneck (OJ C 309 16.12.2006) and EESC opinion of 25.10.2007 on *Entrepreneurship mindsets and the Lisbon Agenda*, rapporteur: Ms Sharma, co-rapporteur: Mr Olsson (SOC/267). (The opinion has not been published yet.)

2.5 Quality jobs and transitional labour markets

The Committee reiterates the need for:

- measures to improve the quality of jobs and therefore the establishment of a European index describing the quality of working life, built on research-based 'good work' criteria and compiled and published on a regular basis, to shed light on changes and improvements in the quality of working life and the effects on productivity;
- increasing employment security and preventing 'insecure employment traps', *inter alia*, by ensuring that the unemployed are not obliged to take on jobs offering no security, by combating undeclared work and by preventing the exploitation of workers employed on short-term contracts;

- the protection of workers against discrimination;
- many additional measures to improve operative health protection systems, for the employment objectives to promote prevention and a healthy lifestyle in order to reduce illness burdens, increase labour productivity and extend the working life;
- measures to modernise and improve, where necessary, the social safeguards attached to non-standard forms of employment;
- the dismantling of obstacles facing people with care obligations when (re-)entering the labour market and seeking to remain in employment (and incentives for greater participation of fathers in care responsibilities);
- the development of transitional labour markets for socially excluded groups with appropriate incentives for companies to take on more workers, with simultaneous support for workers in overcoming the problems which are the source of their social exclusion (undesirable exploitation of these arrangements as well as distortions of competition will need to be guarded against);
- non-profit employment initiatives, especially in the social economy, which have a particular role to play here; provision should be made in labour-market policy budgets for appropriate support.

2.6 Flexicurity

The Committee has made the following proposals:

- the social partners should be a protagonist in any debate on flexicurity and should have a privileged role in the European Commission's consultations and definition of the concept;
- strengthening industrial relations systems at European and national levels is essential; the social partners must actively participate, negotiate, influence and take responsibility for the definition and components of flexicurity; therefore when evaluating national reform programmes it should be discussed how social dialogue and collective agreement systems can be strengthened;
- the Commission and the Member States should give more attention to gender equality and intergenerational solidarity in the context of flexicurity; women, older workers and young people are often at a disadvantage in the labour market in terms of flexibility and security, and upward convergence should be sought for these groups together with measures which are as favourable as possible;

- Member States and the Commission should explore the enhancement of adaptability through internal flexibility and make this a viable and acceptable dimension of flexicurity; internal flexibility can play a key role in advancing productivity, innovation and competitiveness, and can thus contribute to reaching the goals of the Lisbon strategy;
- a balance between working time flexibility and worker protection should be pursued; this is best guaranteed through regulations established by collective bargaining, in line with national practices; such bargaining on working time flexibility requires a solid context of rights, well-functioning social institutions and employment-friendly social security systems to back it up.

2.7 Investment, innovation and research

The Committee has called for:

- a favourable macroeconomic backdrop, with the emphasis on a growth-oriented economic policy in order to overcome persistent cyclical weaknesses and realise the full potential of active labour market policies;
- more consistency in integrating investment in research and development and innovation both to stimulate the economy and to develop new jobs; in this context it must be noted that many of the reform programmes continue to pay too little attention to the need to adopt demand-oriented measures to stimulate growth and employment alongside structural reforms on the labour market;
- increased budgetary leeway for appropriate infrastructure investments in the Member States; in this context, the national reform programmes could as far as possible be designed in such a way that they result in a Europe-wide programme for stimulating the economy;
- appropriate framework conditions which are conducive to both external and internal demand in order to fully exploit the potential for growth and full employment; in this respect it has been pointed out that only a few Member States give sufficient emphasis to economic stimulation in their reform programmes;
- the importance of having appropriate funding at national and EU level in order to implement the employment policy measures; in this respect it has been pointed out that existing disparities between proposals for labour market initiatives and a lack of budgetary provision must be eliminated in many Member States.

Brussels, 13 February 2008.

The President
of the European Economic and Social Committee
Dimitris DIMITRIADIS