

## III

(Preparatory acts)

## COMMITTEE OF THE REGIONS

112TH PLENARY SESSION, 3—4 JUNE 2015

**Opinion of the European Committee of the Regions — Guidelines for the employment policies of the Member States**

(2015/C 260/05)

<b>Rapporteur</b>	Mauro D'ATTIS (IT/EPP), Brindisi Municipal Councillor
<b>Reference document</b>	Proposal for a Council Decision on guidelines for the employment policies of the Member States
	COM(2015) 98 final

**I. PROPOSED AMENDMENTS****Amendment 1**

Proposal for a Decision

Point 5

Text proposed by the Commission	CoR amendment
In accordance with the Treaty provisions, the Union has developed and implemented policy coordination instruments for fiscal policy and macro-structural policies. The European Semester combines the different instruments in an overarching framework for integrated multilateral <b>economic and budgetary surveillance</b> . The streamlining and strengthening of the European Semester as set out in the Commission's 2015 Annual Growth Survey will further improve its functioning.	In accordance with the Treaty provisions, the Union has developed and implemented policy coordination instruments for fiscal policy and macro-structural policies. The European Semester combines the different instruments in an overarching framework for integrated multilateral <b>surveillance of economic, budgetary, employment and social policies</b> . The streamlining and strengthening of the European Semester as set out in the Commission's 2015 Annual Growth Survey will further improve its functioning.

**Reason**

Self-explanatory.

**Amendment 2**

Proposal for a Decision

Point 5 — Add new paragraph:

Text proposed by the Commission	CoR amendment
	<i>The Europe 2020 Strategy should be implemented in partnership with local and regional authorities, which, considering their competences and capacities in the fields covered by these guidelines and according to the principle of subsidiarity, are essential for designing and implementing National Reform Programmes, particularly as regards the social services and labour market integration strategies. Moreover, overall communication on the strategy should capitalise on the role of local and regional authorities, given that the local and regional level is the closest to the people.</i>

**Reason**

To assert the political role that LRAs play in many Member States in implementing the policies set out by the Europe 2020 Strategy <sup>(1)</sup>.

**Amendment 3**

Proposal for a Decision

Point 6

Text proposed by the Commission	CoR amendment
The financial and economic crisis revealed and emphasised important weaknesses in the economy of the Union and its Member States. It has also underscored the close interdependence of the Member States' economies and labour markets. Moving the Union to a state of strong, sustainable and inclusive growth and job creation is the key challenge faced today. This requires coordinated and ambitious policy action both on Union and national level, in line with the provisions of the Treaty and the Union economic governance. Combining supply- and demand-side measures, these actions should encompass a boost to investment, a renewed commitment to structural reforms and exercising fiscal responsibility.	The financial and economic crisis revealed and emphasised important weaknesses in the economy of the Union and its Member States. It has also underscored the close interdependence of the Member States' economies and labour markets. Moving the Union to a state of strong, sustainable and inclusive growth and job creation is the key challenge faced today. This requires coordinated and ambitious policy action both on Union and national level, in line with the provisions of the Treaty and the Union economic governance. Combining supply- and demand-side measures, these actions should encompass a boost to <b>public and private</b> investment, a renewed commitment to structural reforms and exercising fiscal responsibility.

**Reason**

Self-explanatory.

<sup>(1)</sup> Resolution of the Committee of the Regions: *For a better tool-box to implement the EU 2020 Strategy: the integrated guidelines for the economic and employment policies of the Member States and the Union*, CdR's 175/2010 fin.

**Amendment 4**

## Proposal for a Decision

## Point 7

Text proposed by the Commission	CoR amendment
Member States and the Union should also address the social impact of the crisis and aim at building a cohesive society in which people are empowered to anticipate and manage change, and can actively participate in society and the economy. Access and opportunities for all should be ensured, and poverty and social exclusion reduced, in particular by ensuring an effective functioning of labour markets and social welfare systems and removing barriers to labour market participation. Member States should also make sure that the benefits of economic growth reach all citizens and all regions.	Member States and the Union should also address the social impact of the crisis and aim at building a cohesive society in which people are empowered to anticipate and manage change, and can actively participate in society and the economy. Access and opportunities for all should be ensured, and poverty and social exclusion reduced, in particular by ensuring an effective functioning of labour markets and social welfare systems and removing barriers to labour market participation <b>and labour mobility</b> . Member States should also make sure that the benefits of economic growth reach all citizens and all regions.

**Reason**

Self-explanatory.

**Amendment 5**

## Proposal for a Decision

## Point 8

Text proposed by the Commission	CoR amendment
Action in line with the guidelines is an important contribution to reaching the goals of the Europe 2020 Strategy. The guidelines constitute an integrated set of European and national policies, which Member States and the Union should implement in order to achieve the positive spill-over effects of coordinated structural reforms, an appropriate overall economic policy mix and a more consistent contribution from European policies to the Europe 2020 Strategy's objectives.	Action in line with the guidelines is an important contribution to reaching the goals of the Europe 2020 strategy. The guidelines constitute an integrated set of European and national policies, which Member States and the Union should implement in order to achieve the positive spill-over effects of coordinated structural reforms <b>that take account of the specific socio-economic conditions of the different regions</b> , an appropriate overall economic policy mix and a more consistent contribution from European policies to the Europe 2020 Strategy's objectives, <b>which should be implemented in partnership with local and regional bodies</b> .

**Reason**

Considering their competences and capacities in the fields covered by these guidelines and in accordance with the principle of subsidiarity, LRAs are essential for designing and implementing National Reform Programmes, and for overall communication on the Strategy <sup>(2)</sup>.

<sup>(2)</sup> See footnote 1.

**Amendment 6**

Proposal for a Decision

Point 8 — Add new paragraph:

Text proposed by the Commission	CoR amendment
	<i>The Member States and the European Union should provide an appropriate framework for the more effective and efficient use of EU instruments to support local and regional authorities in fulfilling their responsibilities in implementing social and economic inclusion policies to guarantee appropriate forms of social protection that counter poverty and social exclusion and to remedy the serious unemployment problem, especially regarding long-term and youth unemployment, through their social and employment services.</i>

**Reason**

It is the LRAs that actually implement social and economic inclusion policies, through social and employment services. Over and above what has already been accomplished, such as the 20 % of the ESF earmarked for promoting social inclusion, the employment policy guidelines should provide an appropriate framework and even more suitable financing instruments to help them fulfil their responsibilities <sup>(3)</sup>.

**Amendment 7**

Proposal for a Decision

Point 9

Text proposed by the Commission	CoR amendment
While these guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely associating parliaments, as well as social partners and representatives of civil society.	While these guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely associating parliaments, as well as social partners and representatives of civil society. <i>Local and regional authorities, considering their competence and capacities in the fields covered by these guidelines and according to the principle of subsidiarity, play a key role in implementing the guidelines, particularly as regards social services and labour market integration strategies.</i>

**Reason**

Self explanatory.

<sup>(3)</sup> See footnote 1.

Amendment 8

Annex — Integrated guidelines to the proposal for a decision

Guideline 5(1) — Add new paragraph:

Text proposed by the Commission	CoR amendment
Member States should facilitate job creation, reduce barriers for business to hire people, promote entrepreneurship and in particular support the creation and growth of small enterprises in order to increase the employment rate of women and men. They should also actively promote the social economy and foster social innovation.	<p>Member States should facilitate job creation, reduce barriers for business to hire people, promote entrepreneurship and in particular support the creation and growth of small enterprises in order to increase the employment rate of women and men. They should also actively promote the social economy and foster social innovation.</p> <p><i>Taking the wide range of active labour market instruments into account, Member States should also take action to support self-employment, in particular independent entrepreneurship, given that its impact on economic growth is mostly at local level, by supporting business start-ups by young people, micro-businesses, and medium to high-risk ambitious innovative projects, without burdening them with red tape that impedes their creation.</i></p>

Reason

Independent entrepreneurship has an undeniable impact on economic growth at local level and thus cannot be excluded from employment policies.

Amendment 9

Annex — Integrated guidelines to the proposal for a decision

Guideline 6(1) — Add new paragraph:

Text proposed by the Commission	CoR amendment
Member States should promote productivity and employability through an appropriate supply of relevant knowledge and skills. Member States should make the necessary investments in education and vocational training systems while improving their effectiveness and efficiency to raise the skill level of the workforce, allowing it to better anticipate and meet the rapidly changing needs of dynamic labour markets in an increasingly digital economy. Member States should step up efforts to improve access to quality adult learning for all and implement active ageing strategies to enable longer working lives.	<p>Member States should promote productivity and employability through an appropriate supply of relevant knowledge and skills. Member States <b>together with their respective local and regional authorities and in dialogue with the private and the public sectors, should better match available labour skills with labour market needs through education and training.</b> Member States should make the necessary investments in education and vocational training <b>and lifelong learning</b> systems while improving their effectiveness and efficiency to raise the skill level of the workforce, allowing it to better anticipate and meet the rapidly changing needs of dynamic labour markets in an increasingly digital economy. Member States should step up efforts to improve access to quality adult learning for all and implement active ageing strategies to enable longer working lives.</p>

Text proposed by the Commission	CoR amendment
	<i>With this in mind, every effort should be made to consolidate the transition towards a green and blue economy, by matching the demand for labour with skills, by anticipating and managing change in terms of the need for human capital, and by shifting taxation towards other forms of contribution. This may particularly help to reduce youth unemployment, which today averages over 22 % in the European Union. At the same time, support should be given to the development of the social economy, considering the potential that this sector has to create quality jobs, particularly in relation to the needs of the European regions and local authorities.</i>

### Reason

Based on the previous position taken by the CoR in its opinion on EU Quality Framework for anticipation of change and restructuring (COR-2014-01319), highlights the important role of LRAs and the private sector in matching skills with labour market needs. The amendments also highlight the importance of lifelong learning and the need to focus on the green economy <sup>(4)</sup> <sup>(5)</sup>, and the social economy, both of which have shown significant job creation potential and relate to the local and regional dimension of the economy <sup>(6)</sup>.

### Amendment 10

Annex — Integrated guidelines to the proposal for a decision

Guideline 6(4)

Text proposed by the Commission	CoR amendment
Barriers to labour market participation should be reduced, especially for women, older workers, young people, the disabled and legal migrants. Gender equality including equal pay must be ensured in the labour market as well as access to affordable, quality early childhood education and care.	Barriers to labour market participation should be reduced, especially for women, older workers, young people, the disabled and legal migrants. Gender equality including equal pay must be ensured in the labour market as well as access to affordable, quality early childhood education and <b>care, as well as long-term care. Non-standard forms of employment should also be supported through concrete regulatory framework.</b>

### Reason

Women are often carers not only for young children but also for elderly or disabled people. In the context of employment policy, the need for support for forms of non-standard employment must not be overlooked.

<sup>(4)</sup> COM(2014) 446.

<sup>(5)</sup> CoR Green Action Plan for SMEs and the Green Employment Initiative.

<sup>(6)</sup> CoR Resolution on the European Commission's Work Programme 2015, CoR 2015-00074.

**Amendment 11**

Annex — Integrated guidelines to the proposal for a decision

Guideline 6(5)

Text proposed by the Commission	CoR amendment
Member States should make full use of the European Social Fund and other Union funds support in order to improve employment, social inclusion, education and public administration.	Member States should make full use of the European Social Fund and other Union funds support in order to improve employment, social inclusion, education and public administration <b>in full compliance with the revised rules that govern those funds. Specifically, the European Social Fund should be more outcome-oriented, easier to measure (employment, social inclusion, cohesion) and less weighed down by particular administrative formalities. At the same time impact and outcomes should be subject to tighter checks. Moreover, the European Fund for Strategic Investments and its investment platforms should be used to encourage the development of ambitious projects with a strong regional impact, guaranteeing local business projects, encouraging small, medium and micro-enterprises, innovative start-ups and high-risk projects, while insuring that quality jobs are created and workers are equipped with the skills needed for the Union's transition towards a sustainable growth model.</b>

**Reason**

It is clear that the Member States should take full advantage of the European Social Fund, in full compliance with the rules that govern EU funds, but its use should be more closely targeted to particular outcomes, which should be made even easier to measure and less restricted by particular administrative formalities. Checks should perhaps be tightened.

**Amendment 12**

Annex — Integrated guidelines to the proposal for a decision

Guideline 6(5) — Add new paragraph

Text proposed by the Commission	CoR amendment
	<b>Boosting investment is a priority for ensuring long-term economic growth, employment and social cohesion. In order to achieve these objectives, public and private finance must contribute. The importance of the public sector should be recognised for its contribution to encouraging economic growth.</b>

**Reason**

Investment must be incentivised and sustained. Therefore, spending review and public expenditure reorganisation should be designed to ensure this aim. The rules of the European Union have the duty to consider such investment as a part of the future rather than just a debt for public finances.

**Amendment 13**

Annex — Integrated guidelines to the proposal for a decision

Guideline 7(2)

Text proposed by the Commission	CoR amendment
Member States should closely involve National Parliaments and social partners in the design and implementation of relevant reforms and policies, in line with national practices, while supporting the improvement of the functioning and effectiveness of social dialogue at national level.	Member States should closely involve National Parliaments, <b>local and regional authorities, in view of their remits</b> , and social partners in the design and implementation of relevant reforms and policies, in line with national practices, while supporting the improvement of the functioning and effectiveness of social dialogue at national level.

**Reason**

Self-explanatory.

**Amendment 14**

Annex — Integrated guidelines to the proposal for a decision

Guideline 7(4) — Add new paragraph:

Text proposed by the Commission	CoR amendment
Mobility of workers should be ensured with the aim of exploiting the full potential of the European labour market, including by enhancing the portability of pensions and the recognition of qualifications. Member States should at the same time guard against abuses of the existing rules.	<p>Mobility of workers should be ensured <b>as a fundamental right, while remaining a matter of free choice</b>, with the aim of exploiting the full potential of the European labour market, including by enhancing the portability of pensions <b>and social security rights</b>, and the recognition of qualifications. Member States should at the same time guard against abuses of the existing rules.</p> <p><b>However, Member States should also consider that comprehensive and long-term social investment by regional and local authorities — which are best placed to understand the specific features of their own regions and communities — may address the crisis in a more sustainable manner, preventing too many highly qualified people, who would be able to stimulate growth, from leaving these areas.</b></p> <p><b>Creating a set of instruments at local and regional level to mitigate the excessive exodus of skilled labour may also contribute to economic growth and employment at local level.</b></p>

**Reason**

The right to free movement is one of the European Union's main achievements and it is essential that we safeguard this right and support it in practice, by promoting the free movement of workers <sup>(7)</sup>. However, it is important to be aware that comprehensive and long-term social investment by regional and local authorities — which are best placed to understand the specific needs of their own regions and communities — may be a more sustainable way of addressing the crisis, preventing too many highly qualified people, who would be able to stimulate growth, from leaving these areas <sup>(8)</sup>.

<sup>(7)</sup> CoR Opinion on *Labour Mobility and Strengthening of EURES*, CoR 2014-1315.

<sup>(8)</sup> CoR Opinion on the *EU Social Investment Package*, CDR1999-2013.



**Amendment 15**

Annex — Integrated guidelines to the proposal for a decision

## Guideline 8(1)

Text proposed by the Commission	CoR amendment
Member States should modernise their social protection systems to provide effective, efficient, and adequate protection throughout all stages of an individual's life, ensuring fairness and addressing inequalities. There is a need for simplified and better targeted social policies complemented by affordable, quality childcare and education, training and job assistance, housing support and accessible healthcare, access to basis services such as bank accounts and the internet and for action to prevent early school-leaving and fight social exclusion.	Member States should modernise their social protection systems to provide effective, efficient, and adequate protection throughout all stages of an individual's life, ensuring fairness and addressing inequalities. There is a need for simplified and better targeted social policies complemented by affordable, quality childcare and education, training and job assistance, housing support and accessible healthcare, <b>including long-term care</b> , access to basis services such as bank accounts and the internet and for action to prevent early school-leaving and fight social exclusion.

**Reason**

Self-explanatory.

**Amendment 16**

Annex — Integrated guidelines to the proposal for a decision

## Guideline 8(2)

Text proposed by the Commission	CoR amendment
For that purpose a variety of instruments should be used in a complementary manner, <b>including</b> labour <b>activation enabling</b> services <b>and income support, targeted at individual</b> needs. Social protection systems should be designed in a way that facilitates take-up of all persons entitled, supports investment in human capital, and helps prevent, reduce and protect against poverty.	For that purpose a variety of instruments should be used in a complementary manner, <b>based on active inclusion strategies combining adequate minimum income, inclusive labour markets and high quality services tailored to individual</b> needs. Social protection systems should be designed in a way that facilitates take-up of all persons entitled, supports investment in human capital, and helps prevent, reduce and protect against poverty <b>and social exclusion</b> .

**Reason**

Self-explanatory.

## II. POLICY RECOMMENDATIONS

### THE EUROPEAN COMMITTEE OF THE REGIONS

#### *Preliminary remarks*

1. acknowledges that, while these employment guidelines are addressed to Member States, the Europe 2020 Strategy should be implemented in partnership with the local and regional authorities, which, considering their competences and capacities in the fields covered by these guidelines and according to the principle of subsidiarity, are essential for designing and implementing national reform programmes and for overall communication on the Strategy <sup>(9)</sup>;
2. highlights the fact that local and regional authorities also implement economic and social inclusion policies, through social and employment services; the Employment Policy Guidelines therefore need to offer a suitable framework and appropriate financing instruments to support regional bodies in fulfilling these responsibilities <sup>(10)</sup>;
3. recommends that particular consideration be given to the fact that local and regional levels are the closest to the people and thus to jobseekers and employers <sup>(11)</sup>.

#### *General comments*

4. welcomes the Commission's revision of the 2010 Employment Guidelines, which is intended to factor-in the consequences of the crisis and to provide practical guidance on the priorities of the new agenda;
5. reminds the Commission that public investment by LRAs plays a key role in encouraging economic growth. Such investment should therefore be included fully in the new European investment policy set out in the Juncker Plan. The Committee of the Regions believes therefore, that public spending on investment must be reorganised, thereby encouraging expenditure which produces long-term benefits and earmarking resources available under the Juncker Plan not only for large projects, but also for local initiatives which directly involve LRAs;
6. welcomes the Commission's decision not to leave the Employment Policy Guidelines unchanged for the coming years, contrary to previous practice. This would allow for a necessary revision of the guidelines, incorporating the results of the mid-term review of the Europe 2020 Strategy which is planned for the second half of 2015;
7. endorses, in this regard, the suitability of the Europe 2020 Strategy's three pillars relating to smart, sustainable and inclusive growth and the relevance of the key indicators selected. The Committee calls, however, for the introduction of a 'territorial dimension' for Europe 2020, setting targets for the local and regional level. To achieve this, the European Commission and the European Council should promote a mixed top-down/bottom-up approach, which respects the principle of subsidiarity and involves all relevant levels of government, including sub-national authorities <sup>(12)</sup>;
8. urges the European Commission to target the European Social Fund to more readily measurable outcomes (employment, social inclusion and cohesion), and to make particular administrative formalities less burdensome, while at time introducing tighter checks. In this regard, LRAs should draw up plans in line with the main European Union guidelines;

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<sup>(9)</sup> See footnote 1.

<sup>(10)</sup> See footnote 1.

<sup>(11)</sup> See footnote 7.

<sup>(12)</sup> CoR Athens declaration on the mid-term review of Europe 2020

9. notes that the Employment Policy Guidelines do not mention the potential of 'green' and 'blue' jobs in tackling unemployment in Europe. The CoR reiterates its support for the communication published by the Commission last year calling for a green employment initiative and for the Integrated Maritime Policy <sup>(13)</sup>, which highlight the challenges and the opportunities inherent in the transition towards a green and blue economy — in particular the need to match the demand for labour with skills, while anticipating and managing change in terms of the need for human capital;
10. draws attention to the importance of coordinating employment and education policies. Only through knowledge can the regions become more economically competitive, as a qualified labour force is the cornerstone of economic development. Vocational qualification (training, retraining and vocational education) is therefore a key area for which employment and education policies must be coordinated;
11. underlines the importance of matching skills with labour market needs and in this regard highlights the role that LRAs play in forecasting these needs and matching them with labour market needs through measures in the areas of education, training and support for young entrepreneurs in particular. For further recommendations on matching skills with needs, the CoR refers to the opinion on EU Quality Framework for anticipation of change and restructuring (COR-2014-01319); emphasises that the issue of skills is particularly relevant to young people, who still suffer from a crippling high unemployment rate of more than 22 %, and should be better prepared for the jobs of tomorrow in general, and green jobs in particular <sup>(14)</sup>;
12. welcomes the reference to the social economy contained in guideline 5, and highlights the potential of this sector to create quality jobs in European regions and cities <sup>(15)</sup>; in relation to this, supporting the third sector and voluntary work is a specific objective of LRA policies;
13. regrets that in the current updated Employment Policy Guidelines, gender issues are less prominent than in the previous guidelines and points out that the crisis has affected women differently from men. It must be emphasised that recognising gender disparities would allow for the adoption of more targeted, more effective policy measures;
14. highlights that action should be taken to support self-employment, in particular independent entrepreneurship, given that its impact on economic growth is mostly at local level;
15. calls for action to improve the digital economy — by reducing the digital divide — for the purposes of improving potential for growth and highlights the importance of policies that could be developed at local level;
16. reaffirms that, with regard to the movement of workers, for a vast majority of Europeans the right to free movement is one of the European Union's greatest achievements, and deems it essential to protect this right and to support it in practice by promoting the free movement of workers <sup>(16)</sup>. However, it must be noted that comprehensive and long-term social investment by regional and local authorities — which are best placed to understand the specific features of their own regions and communities — may address the crisis in a more sustainable manner, preventing too many highly qualified people, who would be able to stimulate growth, from leaving these areas <sup>(17)</sup>.

Brussels, 3 June 2015.

*The President  
of the European Committee of the Regions*  
Markku MARKKULA

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<sup>(13)</sup> See footnote 4.  
<sup>(14)</sup> See footnote 5.  
<sup>(15)</sup> See footnote 6.  
<sup>(16)</sup> See footnote 7.  
<sup>(17)</sup> See footnote 8.