

EUROPEAN UNION



Committee of the Regions

SEDEC-VI-001

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DRAFT OPINION

Guidelines for the Employment Policies of the Member States

Rapporteur: **Mauro D'Attis** (IT/EPP)
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Deadline for tabling amendments:

3 p.m. (Brussels time) **on 18 May 2015**. Amendments must be submitted using the online tool for tabling amendments (available through the Members' Portal at <http://cor.europa.eu/members>).

Number of signatures required: 6

Reference document

Proposal for a Council Decision on guidelines for the employment policies of the Member States
COM(2015) 98 final

Draft opinion of the European Committee of the Regions – Guidelines for the Employment Policies of the Member States

I. PROPOSED AMENDMENTS

Amendment 1

Proposal for a Decision

Point 5 – Add new paragraph:

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<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 Strategy¹.

Amendment 2

Proposal for a Decision

Point 8

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
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	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 <i>that take account of the specific socio-economic conditions of the different regions</i> , an

¹ 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 175/2010 fin.

policies to the Europe 2020 Strategy's objectives.	appropriate overall economic policy mix and a more consistent contribution from European policies to the Europe 2020 strategy's objectives, <i>which should be implemented in partnership with local and regional bodies.</i>
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<i>Reason</i>
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 ² .

Amendment 3

Proposal for a Decision

Point 8 – Add new paragraph:

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>The Member States and the European Union should provide an appropriate framework and suitable financing instruments to support local and regional authorities in fulfilling their responsibilities in implementing social inclusion and economic 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 unemployment, through their social and employment services.</i>

<i>Reason</i>
It is the LRAs that actually implement social inclusion and economic 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 ³ .

² 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*, CoR 175/2010 fin.

³ 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*, CoR 175/2010 fin.

Amendment 4

Annex — Integrated guidelines to the proposal for a decision

Guideline 5(1) – Add new paragraph:

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<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>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>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>

<i>Reason</i>
<p>Independent entrepreneurship has an undeniable impact on economic growth at local level and thus cannot be excluded from employment policies.</p>

Amendment 5

Annex — Integrated guidelines to the proposal for a decision

Guideline 6(1) – Add new paragraph:

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>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</p>	<p>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</p>

lives.	lives. <i>With this in mind, every effort should be made to consolidate the transition towards a green 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>
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<i>Reason</i>
To highlight the need to focus on the green economy ^{4,5} and the social economy, both of which have shown significant job creation potential and which relate to the local and regional dimension of the economy ⁶ .

Amendment 6

Annex — Integrated guidelines to the proposal for a decision
Guideline 6(4)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
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, <i>cross-border commuters</i> 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.

<i>Reason</i>
People who live in one country and work in another come up against tax and social insurance problems.

⁴ COM(2014) 446.

⁵ CoR *Green Action Plan for SMEs and the Green Employment Initiative*.

⁶ CoR Resolution on the European Commission's Work Programme 2015, CoR 2015-00074.

Amendment 7

Annex — Integrated guidelines to the proposal for a decision
Guideline 6(5)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
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. <i>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 Investment 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.</i>

Reason

It is clear that the Member States should take full advantage of the European Social Fund, 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 8

Annex — Integrated guidelines to the proposal for a decision
Guideline 7(4) – Add new paragraph:

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
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.	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 <i>diplomas and vocational</i> qualifications. Member States should at the same time guard against abuses of the existing rules. <i>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 –</i>

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>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.</i>

<i>Reason</i>
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 ⁷ . 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 ⁸ .

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 Strategy⁹;
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 responsibilities¹⁰;
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 employers¹¹.

⁷ CoR Opinion on *Labour Mobility and Strengthening of EURES*, CoR 2014-1315.

⁸ CoR Opinion on *the EU Social Investment Package*, CDR1999-2013.

⁹ 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* (CoR 175/2010 fin).

¹⁰ 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*, CoR 175/2010 fin.

¹¹ CoR Opinion on *Labour Mobility and Strengthening of EURES*, CoR 2014-1315.

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 differentiated 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 authorities¹²;
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;
9. notes that the Employment Policy Guidelines do not mention the potential of "green" jobs in tackling unemployment in Europe. The CoR reiterates its support for the communication published by the Commission last year calling for an green employment initiative¹³, which highlights the challenges and the opportunities inherent in the transition towards a green 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. emphasises that the issue of skills is particularly relevant to young people, who still suffer from a cripplingly high unemployment rate of more than 22%, and should be better prepared for the jobs of tomorrow in general, and green jobs in particular¹⁴;

¹² [CoR Athens declaration on the mid-term review of Europe 2020.](#)

¹³ COM(2014) 446.

¹⁴ CoR *Green Action Plan for SMEs and the Green Employment Initiative.*

11. 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 cities¹⁵; in relation to this, supporting the third sector and voluntary work is a specific objective of LRA policies;
12. 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;
13. 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;
14. 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;
15. 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 workers¹⁶. 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 areas¹⁷.

Brussels,

¹⁵ CoR Resolution on the European Commission's Work Programme 2015, CoR 2015-00074.

¹⁶ CoR Opinion on *Labour Mobility and Strengthening of EURES*, CoR 2014-1315.

¹⁷ CoR Opinion on *the EU Social Investment Package*, CDR1999-2013.

III. PROCEDURE

Title	Opinion on Guidelines for the employment policies of the Member States
Reference(s)	COM (2015) 98 final
Legal basis	Article 148 TFEU
Procedural basis	Rule 41 a)
Date of Commission letter	3 March 2015
Date of Bureau/President's decision	18 March 2015
Commission responsible	SEDEC
Rapporteur	Mauro D'Attis (IT/EPP)
Analysis	12 March 2015
Discussed in commission	29 April 2015
Date adopted by commission	29 April 2015
Result of the vote in commission (majority, unanimity)	Majority
Date adopted in plenary	Planned for 3-4 June 2015
Previous Committee opinions	<ul style="list-style-type: none"> – 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, June 2010, CoR 175/2010¹⁸ – Resolution of the Committee of the Regions on the European Commission's Work Programme 2015, February 2015, COR 2015-00074 – CoR Athens Declaration on the mid-term review of Europe 2020: a territorial vision for growth and jobs, March 2014¹⁹ – CoR Turin Declaration on Jobs in Europe – Investing in Cities and Regions for Sustainable Growth, September 2014, COR 2014-4057²⁰ – Opinion on the Green action plan for SMEs and Green Employment Initiative, Rapporteur Satu Tietari (FI/ALDE), February 2015, COR 2014-4331 – Opinion on the EU Social Investment Package, Rapporteur Ahmed Aboutaleb (NL/PES), October 2013, CDR1999-2013²¹

18 [OJ C 267, 1.10.2010, p. 1–3.](#)

19 <http://cor.europa.eu/en/news/Documents/2210-athens-declaration-a5.pdf>.

20 <http://cor.europa.eu/en/news/Pages/bureau-cor-turin.aspx>.

21 [OJ C 356, 5.12.2013, p. 60–67.](#)

	<ul style="list-style-type: none"> – Opinion on Labour Mobility and Strengthening of EURES, Rapporteur José Ramón Bauzá Díaz (ES/EPP), June 2014, CoR 2014-1315²² – Opinion on the Social Dimension of the EMU, Rapporteur Jean-Louis Destans (FR/PES), January 2014, COR 2013-6863²³
Date of subsidiarity monitoring consultation	N/A

²² [OJ C 271, 19.8.2014, p. 70–86.](#)

²³ [OJ C 126, 26.4.2014, p. 31–34.](#)