Guidelines for the employment policies 2008-2010

2007/0300(CNS) - 11/12/2007 - Legislative proposal

PURPOSE: to propose Member States' employment policy guidelines, 2008-2010.

PROPOSED ACT: Council Decision (under Article 128 of the EC Treaty)

CONTEXT: In 2005 the EU relaunched the EU's Lisbon Strategy in a bid to modernise Europe by focusing specifically on growth and jobs. The Strategy is based on a close partnership between the Commission and the Member States, who together have unanimously agreed to implement agreed integrated policy guidelines. The guidelines consist of firstly, "broad economic policy guidelines" and secondly, a set of "employment policy guidelines" for the Member States to implement through National Reform Programmes. The Strategy is organised around three-year cycles; the first covering the period 2005-2008. This summary concerns the employment guidelines only.

The purpose of the proposed Council Decision is to renew and update the agreed guidelines for the next three year cycle 2008-2010. The Commission suggests that most of the Integrated Guidelines, agreed on unanimously in 2005, do not require amending and as a result should remain largely unchanged for the next three-year cycle. The Annex accompanying the proposals has, however, been updated in order to reflect changing circumstances.

CONTENT : The examination of the Member States' National Reform Programmes contained in the Commission's Annual Progress Report and in the draft Joint Employment Report shows that Member States should continue to make every effort to address the priority areas of :

- attracting and retaining more people in employment, increasing labour supply and modernising social protection systems,
- improving adaptability of workers and enterprises, and
- increasing investment in human capital through better education and skills.

In this context, the Commission proposes establishing employment guidelines along the following lines:

- **Guideline 17**: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion. These policies should contribute to achieving an average employment rate for the European Union (EU) of 70% overall, of at least 60% for women and of 50% for older workers (55 to 64) by 2010, and to reduce unemployment and inactivity. Member States should consider setting national employment rate targets.
- **Guideline 18**: Promote a lifecycle approach to work. This guideline consists of: (i) a renewed endeavour to build employment pathways for young people and reduce youth unemployment; (ii) resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay; (iii) better reconciliation of work and private life and the provision of accessible and affordable childcare facilities and care for other dependants; (iv) support for active ageing, including appropriate working conditions, improved (occupational) health status and adequate incentives to work and discouragement of early retirement; (v) modern social protection systems, including pensions and healthcare, ensuring their social adequacy, financial sustainability and responsiveness to changing needs.

- **Guideline 19**: Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive. The following measures are expected to be implemented: (i) active and preventive labour market measures including early identification of needs, job search assistance, guidance and training as part of personalised action plans, provision of necessary social services and measures aimed at eradicating poverty; (ii) continual review of the incentives and disincentives resulting from the tax and benefit systems, including the management and conditionality of benefits and a significant reduction of high marginal effective tax rates, notably for those with low incomes; (iii) development of new sources of jobs in services for individuals and businesses, notably at local level.
- **Guideline 20**: Improve matching of labour market needs. This shall involve: (i) the modernisation and strengthening of labour market institutions, notably employment services, also with a view to ensuring greater transparency of employment and training opportunities at national and European level; (ii) removing obstacles to mobility for workers across Europe; (iii) better anticipation of skill needs, labour market shortages and bottlenecks; (iv) appropriate management of economic migration.
- **Guideline 21:** To promote flexibility combined with employment security and to reduce labour market segmentation. It concerns: (i) adapting employment legislation, reviewing where necessary the different contractual and working time arrangements; (ii) addressing the issue of undeclared work; (iii) the better anticipation and positive management of change, including economic restructuring, so as to minimise their social costs and facilitate adaptation; (iv) the promotion and dissemination of innovative forms of work organisation, with a view to improving quality and productivity at work; (v) support for transitions in occupational status, including training, self-employment, business creation and geographic mobility.
- **Guideline 22**: Ensure employment-friendly labour cost developments and wage-setting mechanisms by: (i) encouraging social partners to set the right framework for wage bargaining in order to avoid gender pay gaps; (ii) reviewing the impact on employment of non-wage labour costs and reducing, where appropriate, the tax burden on the low-paid.
- **Guideline 23**: Expand and improve investment in human capital. It is planned to implement policies promoting inclusive education and training policies, with a view to: (i) facilitating access to initial vocational, secondary and higher education, including apprenticeships and entrepreneurship training; (ii) significantly reducing the number of early school leavers; (iii) developing efficient lifelong learning strategies open to all (schools, businesses, public authorities and households), through appropriate incentives and cost sharing.
- **Guideline 24**: Adapt education and training systems in response to new competence requirements. In this area, it is planned to: (i) raise and ensure the attractiveness, openness and quality standards of education and training, ensuring flexible learning pathways and enlarging possibilities for mobility for students and trainees; (ii) diversify access for all to education and training, and to knowledge, by means of working time organisation; (iii) respond to new occupational needs, key competences and future skill requirements.