Guidelines for the employment policies 2008-2010

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

LEGISLATIVE ACT: Council Decision 2008/618/EC on guidelines for the employment policies of the Member States

CONTENT: the reform of the Lisbon Strategy in 2005 has placed the emphasis on growth and jobs. The Employment Guidelines of the European Employment Strategy and the Broad Economic Policy Guidelines have been adopted as an integrated package, whereby the European Employment Strategy has the leading role in the implementation of the employment and labour market objectives of the Lisbon Strategy.

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:

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

This is reflected in Integrated Guidelines Nos 17 to 24.

In the light of both the Commission's examination of the National Reform Programmes and the European Council's conclusions, the focus should be on effective and timely implementation in line with the conclusions of the European Council, thereby also strengthening the social dimension of the Lisbon Strategy. Special attention should be paid to the agreed targets and benchmarks. The following targets and benchmarks have been agreed in the context of the European Employment Strategy. These are set out in a new Annex:

- that every unemployed person is offered a job, apprenticeship, additional training or other employability measure; in the case of young persons who have left school within no more than 4 months by 2010 and in the case of adults within no more than 12 months;
- that 25 % of long-term unemployment should participate by 2010 in an active measure in the form of training, retraining, work practice, or other employability measure, with the aim of achieving the average of the three most advanced Member States;
- that jobseekers throughout the EU are able to consult all job vacancies advertised through Member States' employment services;
- an increase by five years, at EU level, of the effective average exit age from the labour market by 2010 compared to 2001;
- the provision of childcare by 2010 to at least 90 % of children between 3 years old and the mandatory school age and at least 33 % of children under 3 years of age;
- an EU average rate of no more than 10 % early school leavers;
- at least 85 % of 22-year olds in the EU should have completed upper secondary education by 2010;
- that the EU average level of participation in lifelong learning should be at least 12,5 % of the adult working-age population (25 to 64 age group).

The Employment Guidelines are valid for three years, while in the intermediate years until the end of 2010 their updating should remain strictly limited.

Member States should take the Employment Guidelines into account when implementing programmed Community funding, in particular of the European Social Fund.

The following technical amendments have been made to the Employment Guidelines:

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.

It should be noted that the Parliament proposed to insert a new Guideline 19a which aimed to ensure the social integration of all workers and tackle poverty and social exclusion by guaranteeing a decent income and better access to quality social services together with better access to the labour market through the expansion of job opportunities and vocational training. However, the Council rejected this proposal.