Guidelines for the employment policies of the Member States. Part II of the Europe 2020 Integrated Guidelines

2010/0115(NLE) - 27/04/2010 - Legislative proposal

PURPOSE: to propose a series of coherent guidelines for Member States' employment policies drawing on the Europe 2020 strategy.

PROPOSED ACT: Council Decision.

BACKGROUND: on 26 March 2010, the European Council agreed to the European Commission's proposal to launch a new strategy for jobs and growth, Europe 2020, based on **enhanced coordination of economic policies**, which will focus on the key areas where action is needed to boost Europe's potential for sustainable growth and competitiveness. To that end, the European Council agreed to set EU headline targets, which constitute shared objectives guiding action of the Member States and of the Union.

This strategy will also be reflected in these employment guidelines. They give precise guidance to the Member States on defining their national reform programmes and implementing reforms, reflecting interdependence and in line with the Stability and Growth Pact. These guidelines will form the basis for any country-specific recommendations that the Council may address to the Member States. They will also form the basis for the establishment of the Joint Employment Report sent annually by the Council and Commission to the European Council.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASE: Article 148(2) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the guidelines for employment and economic policies are presented as two distinct - but intrinsically interconnected - legal instruments:

1. a Council Recommendation on broad guidelines for the economic policies of the Member States and of the Union -Part I of the Europe 2020 Integrated Guidelines;
2. a Council Decision on guidelines for the employment policies of the Member States -Part II of the Europe 2020 Integrated Guidelines.

These guidelines implemented by the above mentioned legal instruments form together the integrated guidelines for implementing the Europe 2020 strategy that comprise **the framework for the Europe 2020 strategy and reforms at Member State level.**

To ensure coherence and clarity, the guidelines are **limited in number** and reflect the European Council conclusions. The guidelines are integrated to ensure that national and EU-level policies contribute fully to achieving the objectives of the Europe 2020 strategy. Following them in a synchronised manner will help Member States reap the positive spill-over effects of coordinated structural reforms, particularly within the euro area.

On this basis, Member States will draw up **National Reform Programmes** setting out in detail the actions they will take under the new strategy, with a particular emphasis on efforts to meet the national targets.

Building on monitoring by the Commission and work done in the Council, the European Council will assess every year the overall progress achieved both at EU and at national level in implementing the strategy. Macroeconomic, structural, and competitiveness developments and overall financial stability will be examined simultaneously.

The "Europe 2020 Integrated Guidelines" are the following:

- Guideline 1: ensuring the quality and the sustainability of public finances
- Guideline 2: addressing macroeconomic imbalances
- Guideline 3: reducing imbalances in the euro area
- Guideline 4: optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy
- Guideline 5: improving resource efficiency and reducing greenhouse gases emissions
- Guideline 6: improving the business and consumer environment and modernising the industrial base
- Guideline 7: increasing labour market participation and reducing structural unemployment
- Guideline 8: developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning
- Guideline 9: improving the performance of education and training systems at all levels and increasing participation in tertiary education
- Guideline 10: promoting social inclusion and combating poverty.

This proposal details Guidelines 7 to 10 as follows:

1. **Guideline 7: increasing labour market participation and reducing structural unemployment:** in this regard, Member States should ensure that the employment rate of men and women aged 20 to 64 reaches 75% **by 2020**, thanks to the greater participation of youth, older workers and low skilled workers and the better integration of legal migrants;.
2. **Guideline 8: developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning**: for this guideline, Member States should promote productivity and employability through an adequate supply of knowledge and skills to match current and future demand in the labour market. They should, in particular, **improve access to training**, strengthen education and career guidance combined with systematic information on new job openings and opportunities, promotion of entrepreneurship and enhanced anticipation of skill needs;
3. **Guideline 9: improving the performance of education and training systems at all levels and increasing participation in third-level education:** Member States should ensure that the drop out rate is reduced to 10%, whilst increasing the share of the population aged 30-34 having third-level or equivalent education to at least 40% in 2020;
4. **Guideline 10: promoting social inclusion and combating poverty**: in the context of this guideline, the number of Europeans living below the national poverty lines should be reduced by 25%, lifting over 20 million people out of poverty.

BUDGETARY IMPACT: this proposal has no impact on the EU’s budget.