# Employment and social aspects in the annual growth survey 2012

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The Committee on Employment and Social Affairs adopted the report drafted by Marije CORNELISSEN (Greens/EFA, NL) on employment and social aspects in the Annual Growth Survey 2012.

Members recall that unemployment has increased significantly since 2008 and reached the level of 23 million unemployed people in the EU, corresponding to 10% of the working age population. However, in order to meet its employment target, the EU will have to bring an additional 17.6 million people into employment by 2020.

Members also recall that the social and employment aspects are grouped into only one of the five priorities of the Annual Growth Survey (AGS) while they represent three out of the five headline targets of the Europe 2020 Strategy. It is for this reason that the Members are sending key messages with a view to the Spring European Council. These messages urge the European Council to ensure the following messages form part of its policy guidance for the European Semester 2012, and mandates its President to defend this position during the Spring European Council of 1-2 March 2012.

**(A) Key messages**:

**(1) Ensure coherence and increase ambition to achieve the Europe 2020 objectives**: Members call on the European Council to:

- ensure that the yearly policy guidance set out on the basis of the AGS is fully aimed at fulfilling all the objectives of the Europe 2020 Strategy for smart, sustainable and inclusive growth;
- ensure coherence between the different priorities in its policy guidance, so that guidance on fiscal consolidation is based on social justice and does not increase **poverty or hamper efforts to tackle unemployment** and mitigate the social consequences of the crisis;
- ensure, in its policy guidelines, that EU funds are earmarked for achievement of the Europe 2020 Strategy's objectives;
- ensure that Member States step up their national targets, and that these are accompanied by concrete and realistic roadmaps for implementation.

**(2) Support sustainable job creation with investment and tax reform**: the European Council is called upon to:

- provide the necessary budgetary leeway and encouragement for investments in sustainable and decent job creation in a wide range of sectors;
- invest in training workers and the unemployed and in poverty reduction;
- endorse the policy guidance to **shift the tax burden as part of non-wage costs away from labour** while encouraging the companies benefiting from those exemptions/reductions to offer decent living wages in return;
- endorse the guidance on increasing revenue through **fair, progressive, redistributive, effective and efficient taxation**, and better tax coordination to combat tax evasion, so as to ensure the fairness of the system and preserve social cohesion.

**(3) Improve the quality of employment and conditions for increased labour participation**: the European Council is called upon to:

- include guidance on decent work and on efforts to support the reconciliation of work, family and private life by means of affordable care and childcare provision, family-related leave and flexible working arrangements;
- ensure that austerity measures and **reduction of the administrative burden** should not compromise social protection and health and safety standards.

**(4) Tackle youth unemployment**: the European Council should make **tackling youth unemployment a priority**. In this regard, Member States are called upon to:

- develop comprehensive strategies for young people who are not in employment, education or training, including targeted active labour-market policy measures, measures tackling skills mismatches in the labour market, promotion of entrepreneurship among young people and frameworks securing the transition from education to work, such as 'dual vocational training';
- introduce, in close cooperation with the social partners, a **Youth Guarantee** securing the right of every young person in the EU to be offered a job, an apprenticeship, additional training or combined work and training after a maximum period of four months' unemployment.

**(5) Tackle poverty and social exclusion with the emphasis on groups with no or limited links to the labour market**: the European Council is also called upon to ensure that combating poverty and social exclusion goes beyond measures aimed at integrating people into the labour market, by putting the emphasis on social protection and active inclusion of vulnerable groups with no or limited links to the labour market.

**(6) Enhance democratic legitimacy, accountability and ownership**: Members recall that the increased importance of the European dimension of the economic policies of Member States should go hand in hand with increased democratic legitimacy and appropriate accountability to the European Parliament and national parliaments. They consider that, in the absence of a legal basis for ordinary legislative procedure applicable to the AGS, the European Council has a special responsibility to take into account parliamentary comments when endorsing the policy guidance in order to give it democratic legitimacy, and that the sense of urgency in implementing austerity measures and fiscal discipline cannot by any means override the need for a democratic decision-making process. They call on the Commission to transform the AGS into Annual Sustainable Growth Guidelines in 2013, to present this in a format that allows Parliament to propose amendments and to ensure that a transparent process of inter-institutional decision-making ends in commonly agreed policy guidance.

**(B) Additional efforts to be pursued in the employment and social field**: Member States are called upon to support initiatives that facilitate the development of sectors with the highest employment potential, particularly in the transformation to a sustainable economy (green jobs), health and social services (white jobs) and the digital economy. It is necessary to improve the environment for businesses, especially SMEs.

**(1) Increase employment levels and improve job quality**: Members propose a series of measures to reinforce employment policies. They suggest in particular:

Member States are called upon to:

- reinforce efforts to improve the Single Market, to enhance the digital economy and to focus on smart regulation to reduce unnecessary red tape;
- support and develop conditions for more flexible working arrangements, especially for older and younger workers, and to promote workers' mobility;
- make full use of the Structural Funds in order to enhance employability and combat structural and long-term unemployment effectively;
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combat in-work poverty by pursuing labour-market policies which aim at ensuring living wages for those in work;
- further recognise the real added value that older workers represent within their enterprises and create age-friendly working conditions in order to enable older workers who so choose to participate and remain in the labour market;
- combating age discrimination;
- ensure that people on temporary or part-time contracts enjoy equal treatment, including with regard to dismissal and pay in accordance with primary and secondary EU law, and that these workers and people who are self-employed have adequate social protection and access to training and lifelong learning and that framework conditions are set to enable them to make a career;
- implement the framework agreements on part-time work and fixed-term employment and to enforce effectively the Directive establishing a general framework for equal treatment in employment and occupation;
- take steps to improve mobility within and across labour markets and to remove all the existing legal and administrative barriers that hamper the free movement of workers within the European Union;
- implement gender mainstreaming in the design of National Reform Programmes.

**(2) Invest in education and training**: Member States are called upon to adapt and expand investment in education, training, the promotion of entrepreneurial skills and lifelong learning for all age groups, not only through formal learning but also through the development of non-formal and informal learning. Other measures include the following:

- adapt education and training systems to the needs of the labour market and endowing the workforce with new skills in order to fight structural unemployment and prepare the workforce for the transition to a smart, sustainable and inclusive economy;
- to propose a Quality Framework for Traineeships, and calls on it to submit, without delay, such a Framework;
- encourages vigorous implementation of the National Qualifications Framework as a tool promoting the development of lifelong learning;
- encourages the Commission, the Member States and employers to create more opportunities for female workers in the new technologies sectors.

**(3) Combat poverty, promote social inclusion and the quality of public services**: recalling that according to the November 2011 Eurobarometer, 49% of European citizens cited tackling poverty and social exclusion as a priority policy that they want to see promoted by the European Parliament, Members call on the Member States to:

- improve the adequacy and effectiveness of social protection systems, including access to pension systems with due consideration for gender equality, and to make sure that these continue to act as buffers against poverty and social exclusion;
- implement **active inclusion strategies** and adequate and affordable high-quality services, **adequate minimum income** support and pathway approaches to quality employment to prevent marginalisation of low-income and vulnerable groups;
- put in place, implement and enforce effective anti-discrimination measures;
- address the lack of progress in implementing and enforcing anti-discrimination measures in the country specific recommendations;
- ensure that any health system reforms focus on improving quality and ensuring adequacy, affordability and **universal access**;
- assess also the effects of austerity measures on gender equality and female employment;
- develop gender analysis and mainstreaming in regard to the impact of pension reforms on women's lives in the EU, with the objective of individualising pensions rights and social security and tax systems as well.

**(4) Further efforts needed to enhance governance, commitment and democratic legitimacy**: concerned about the fact that the European Parliament and national parliaments continue to play a limited role in the European Semester, Members deplore the fact that policy guidance in the AGS initiated by the Commission, and to be endorsed by the European Council, lacks parliamentary involvement and therefore democratic legitimacy. They call on the European Council to give the Member States concerned the necessary encouragement for investments in sustainable job creation, education and training and poverty reduction so as to facilitate their contribution to achieving the EU headline targets in these areas.

Lastly, Members call on Member States, against the background of the worst economic crisis the European Union has ever known, to implement without delay the necessary national reform programmes.