European semester for economic policy coordination: employment and social aspects in the annual growth survey 2015

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The European Parliament adopted by 477 votes to 203 with 23 abstentions, a resolution on the European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2015.

Parliament noted that the economic and social context in the EU continued to be bleak, and the economic recovery remained fragile: the **unemployment rate remained historically high**, with nearly 25 million people out of work in the EU; long-term unemployment is worryingly high, and 12 million people had been unemployed for more than a year. Youth unemployment rates had not decreased significantly, reaching an EU average of 21.2 %.

In this context, Parliament welcomed the Commission's integrated approach to growth, founded on three main pillars: (i) **an Investment Plan for Europe, (ii) structural reforms and (iii) fiscal responsibility.** It called on partners to implement the reforms using the flexibility already built into the rules and agreements, should a Member State face excessive macroeconomic imbalances, so as to guarantee that fiscal responsibility is compatible with economic growth, employment creation and the welfare state.

Responsible policy refocused on investment, quality job creation and growth: Parliament called for the development of a European framework to assure that all investments under the European Investment Plan had a significant impact in terms of stimulating sustainable growth, creating quality jobs and fostering social progress. The Commission was asked to monitor and control the investments under the Plan and, furthermore, to audit and measure the economic and social impact of the investments in real terms.

SMEs restored financing to boost private investment and job creation: Parliament welcomed the Commission's new recommendations on SME's access to finance involving a new approach to insolvency and business failure. It also:

- called on Member States to eliminate unnecessary administrative burdens and bureaucracy for the self-employed and for micro-enterprises and SMEs, and to facilitate conditions for start-ups;

- welcomed the measures announced by the Commission to boost job creation in SMEs by unlocking alternatives to bank loans, and to improve the regulatory and fiscal framework in order to enhance long-term investment in SMEs.

A more efficient use of funds under the cohesion policy: Parliament called on the Commission to consider pre-financing in order to facilitate the full use of funds by Member States in the 2014-2020 period, while ensuring that the principle of budgetary accountability is upheld. The Commission is asked to ensure strict monitoring of the 20 % ring-fencing of ESF for poverty.

Reforms to expand growth potential, human capital and productivity: Parliament believed that structural labour market reforms should introduce internal flexibility measures aimed at: (i) maintaining

employment in times of economic disruption, (ii) ensuring job quality and security in employment transitions, and (iii) providing unemployment benefit schemes that were based on realistic activation requirements, ensuring adequate support for redundant workers and are linked to reintegration policies.

It called on the Commission and the Member States to design:

- tailor-made policies to support quality job creation for the long-term unemployed, senior unemployed people, women and other priority groups hit especially hard by the crisis such as immigrants, the Roma community and people with disabilities;

- measures to promote anti-discrimination policies on the workplace, work-life balance, lifelong learning and training, and to combat the low level of education that affects some of these groups, many of whom were at risk of social exclusion.

Recalling that decent wages were important not only for social cohesion, but also for maintaining a strong recovery and a productive economy, Parliament called on the Commission to investigate the impact of Member States introducing **minimum wages** in the context of reducing wage inequalities and to reinforce efforts to tackle social and wage dumping in the EU.

Given that labour market reforms in many Member States had not managed to decrease the level of precarious jobs (50 % of jobs created in 2014 were temporary jobs) and given the persistence of in-work poverty, Parliament called on Member States to **make job quality a priority.**

The Commission was called upon to:

- propose a European framework for introducing **minimum standards for the implementation of Youth Guarantees;**

- propose a new Quality Framework with a view to preventing discrimination and exploitation of young workers (43 % of the young find themselves working under precarious conditions)

- present a proposal on parental leave that contributes to ensuring equal working conditions for women and men;

- propose an initiative to promote the introduction of minimum incomes in the Member States;

- help Member States tackle the urgent and rapidly growing problem of homelessness.

Parliament recalled the importance of **automatic stabilisers** in dealing with asymmetrical shocks, avoiding excessive depletion of national welfare states and thus strengthening the sustainability of EMU as a whole. It called on the Commission to include in its CSRs the importance of preserving strong automatic stabilisers in Member States.

Members also wanted to see reforms that would ensure both the **sustainability, safety and adequacy of pensions**, and effective health prevention measures such as ‘lifetime healthy ageing’.

Democratic legitimacy: Members expressed deep concern over the limited role that the European Parliament, the national parliaments as well as social partners and civil society organisations had to play in the formulation, monitoring and implementation of economic and social priorities in the European Semester. They reiterated their call for increased and structured involvement of civil society and social partners at EU as well as national level so as to improve the legitimacy of the European Semester process.