Employment in Europe. Annual report 1998

1998/2195(COS) - 10/11/1998

The Committee adopted a report by Wim van VELZEN (PES, NL) which scrutinizes the Commission Proposal for Guidelines for Member States Employment Policies in 1999 and the Commission Employment Rates Report 1998: Employment Performance in the Member States. Mr. van VELZEN stressed that National Action Plans have given new political impetus to employment policies in all Member States. However, in the forthcoming European Council in Vienna it is important to deepen and sharpen their focus in the light of the first year's experience. The Commission should further develop concrete targets, based on benchmarks, under the guidelines. More attention has to be paid to prevention of unemployment. The rapporteur called for more efficient coordination of economic and employment policies. The Council, the Commission and the European Parliament should make an interinstitutional agreement concerning the coordination. In addition, the European Council should set up a framework for dialogue between the institutions responsible for economic policy and the European social partners. The Committee once again emphasised the need of finding alternatives to taxation on labour. The Commission and Member States should look into the possibilities and implications of VAT reduction on particularly labour-intensive services. According to the Committee, a wide-ranging European investment programme is needed to promote growth and employment for the medium and the long run. The Commission should undertake a feasibility study of the various financing mechanism to underpin such a programme. The Committee also wanted to sharpen the implementation of the guidelines in the fields of training and equal opportunities. Member States and the social partners should double the percentage of the labour force receiving training, with a special attention to older workers (50-64 years). The Council should adopt a policy of mainstreaming throughout the guidelines. The Committee believed that in several economic sectors, more flexible distribution of working time combined with a reduction in working hours could provide a partial solution to the problem of unemployment. It urged the social partners to negotiate agreements on the reorganisation and reduction of working time. Furthermore, the Council should make a proposal to reduce the maximum weekly working hours to 40. This should be achieved over a five year period.