Basic information

1995/2231(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Employment in Europe. 1995 annual Report **Subject** 4.15 Employment policy, action to combat unemployment	

Key players

European Parliament

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	KESTELIJN-SIERENS Marie-Paule (Mimi) (ELDR)	26/09/1995
REGI Regional Policy	The committee decided not to give an opinion.	
FEMM Women's Rights		

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	1835	1995-03-20
Environment	1861	1995-06-22
Social Affairs	1862	1995-06-29

Key events

Date	Event	Reference	Summary
20/03/1995	Debate in Council		
22/06/1995	Debate in Council		Summary
29/06/1995	Debate in Council		Summary
26/07/1995	Non-legislative basic document published	COM(1995)0396	Summary
23/10/1995	Committee referral announced in Parliament		
14/11/1995	Vote in committee		Summary
14/11/1995	Committee report tabled for plenary	A4-0287/1995	
28/11/1995	Debate in Parliament		
29/11/1995	End of procedure in Parliament		

18/12/1995	Final act published in Official Journal		

Technical information	
Procedure reference	1995/2231(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/4/07035

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0287/1995 OJ C 339 18.12.1995, p. 0004	14/11/1995	
Text adopted by Parliament, single reading		T4-0579/1995 OJ C 339 18.12.1995, p. 0012-0028	29/11/1995	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(1995)0074	08/03/1995	Summary
Non-legislative basic document	COM(1995)0396	26/07/1995	Summary
Document attached to the procedure	COM(1995)0465	11/10/1995	Summary

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1995/2231(COS) - 29/06/1995

The Council noted the information from the Presidency on the outcome of the European Council in Cannes (26 and 27 June 1995) as regards employment. It also noted information from the incoming Spanish Presidency on its intentions concerning the first annual report from the Council to be submitted to the European Council in Madrid (15 and 16 December 1995). An ad hoc Working Party of personal representatives of the Ministers for Labour was instructed to prepare the report.

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1995/2231(COS) - 11/10/1995 - Document attached to the procedure

OBJECTIVE: this Commission communication seeks to analyse the main trends and aspects of recent employment policies in the Member States identified at the Essen European Council with a view to identifying sound practice and encouraging their dissemination. It also contains the Commission's initial response to the issue raised at the Cannes Council of coordinating the economic and structural policies of the Member States and

is intended to prepare for the first annual report on employment which must be submitted to the Madrid European Council on 15 and 16 December 1995. SUBSTANCE: the first message in the Commission's communication is that if Europe achieves its objective of annual investment-led growth of 3-3.5%, the fall in the number of unemployed would enable the unemployment rate to drop to 7.5% by the year 2000. However if these macroeconomic trends are accompanied by structural measures intended to accelerate growth in employment, the unemployment rate could fall by a further 2.5%. Use of the full range of policies: to achieve this end all the policies to benefit employment must be used simultaneously and in a coordinated manner in order to establish a macroeconomic policy which will restore public finances and give room for businesses to grow and create new jobs, especially with regard to SMUs, a vigorous structural policy replacing passive labour market policies with an active labour market policy. Economic climate: the communication indicates that the European economic situation is improved and that the success of the structural reforms is starting to be felt. The European economy is in a better state for several reasons: inflation is low (the lowest rate for 30 years), profits are sound and almost as high as in the 1960s, the trade balance is positive and the results obtained are better than in 1960, 1970 and 1980. The combination of these factors shows that the basic conditions for growth and job creation are better than for 20 or 30 years. Structural reform: the success of structural reform is shown in the multiannual programmes put forward by governments. This reform process is far-reaching and applies particularly to the social security systems (in particular pensions schemes which are sounder and more balanced). The provisions for collective negotiations have also opened the way for lower inflation and more moderate salary demands. The reforms taken together offer genuine and positive prospects for greater flexibility in the labour market. The Communication however raises a certain number of questions: will the social partners work together to achieve price stability and higher real pay levels or will they opt for inflationary wage agreements; will governments undertake to go further along the path of an active rather than a passive employment market policy; will undertakings take the opportunity to transform greater profits into investments and new jobs. Lastly, the Commission stresses that it is essential for the Member States to maintain their commitment to the guidelines for action which have been adopted and not to fall into the trap of an illusory relief in the light of the current recovery. Here Member States should continue their efforts to reduce public deficits and to achieve wage moderation. Greater attention should be paid to the most disadvantaged categories. Measures intended to give all young people the chance to receive education, training or work experience before starting employment should be the key priority in all Member States and stress should be laid on prevention of long-term unemployment and on equality of opportunities for men and women.

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1995/2231(COS) - 22/06/1995

The Council approved the interim report on the follow-up to the Essen European Council (part on unemployment) drawn up by an ad hoc Working Party composed of representatives of Employment Ministers. The report, which is of an essentially methodological nature, forms part of the preparations for the report of the Labour and Social Affairs Council to the Madrid European Council (15 and 16 December 1995). Both the interim report and a parallel report from the Ecofin Council on 19 June 1995, introduced by a summary note from the Presidency, will be placed before the Cannes European Council (26 and 27 June 1995).

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1995/2231(COS) - 26/07/1995 - Non-legislative basic document

OBJECTIVE: to present the main employment trends in Europe and propose best employment practices to the Member States based on experience acquired in the various countries which have improved their rate of job growth over recent months (7th Annual Report on Employment - 1995). CONTENT: while deploring the fact that some 18 million people are still unemployed in the Community (i.e. 11% of the Community's working population), the Commission report states that strong growth in employment is forecast for the next one or two years. However, it is unlikely that the number of unemployed will fall dramatically in the near future. Unemployment is still the main economic and social problem in the Union and the only real priority of the Member States at the present time. The report highlights the fact that, although the Member States all face the same problem, it varies considerably in size and nature from one country to another and from one region to another within the same country, as do the policies which need to be implemented. Because the problem of unemployment is approached differently, the Commission considers that changes in employment in each Member State need to be examined separately. At the same time, because the problem of unemployment varies in nature, a wide variety of results have been achieved. This variety represents an important fund of information which the Member States can dip into in order to find best practices which may be applicable in their own country. This is the main objective of the report, i.e. to establish a common fund of information by setting out recent changes in employment and unemployment and the measures introduced as a result. The report is divided into 3 sections: . the first section deals with recent changes in employment and unemployment in the Union: it sets out the most recent developments on the labour market in each Member State in order to determine the extent to which they have achieved their employment objectives; . the second section addresses the question of re-employment as a Union strategy: the report examines the various measures used recently to attack the problems of employment and unemployment. The Commission identifies 5 main areas of action as being of major importance in resolving the employment problem in the Member States: - improving the employment potential of the working population by encouraging investment in vocational training; - increasing the job intensity of economic growth; - reducing non-wage costs in order to stimulate job creation, especially for those with few qualifications; - improving the efficiency of labour market measures; - improving measures to assist the groups hardest hit by unemployment; . the third section includes a detailed analysis of 2 questions which the Council singled out by the Council as being of particular importance: - the relation between employment, social protection systems and labour costs; - job creation in activities linked to environmental protection.

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1995/2231(COS) - 08/03/1995 - Document attached to the procedure

Following the conclusions of the Commission White Paper "Growth, Competitiveness, Employment" and the action plan on employment, and at the request of the Corfu and Essen European Councils (December 1994), the Commission communication presents a coherent and systematic approach to monitoring employment trends in the Member States and the policies developed in the Union to reduce unemployment. In order to translate this

objective into practice, the Commission proposes a system for monitoring employment at Community level, which it calls on the Council to approve. This system aims to ensure that each institution receives systematic information on monitoring by the Commission and can provide regular input to the final summary report, which will present the results once employment trends have been monitored for one year. This report will be used as a basis for the conclusions of the European Council in December 1995, one of the objectives of which is to evaluate the Union's progress on employment. The monitoring system takes the form of successive stages which allow for coherent intervention by the Ecofin and Social Affairs Councils and then by the European Council, thereby avoiding a dual approach to policy. These successive stages are as follows: 1) publication of the Commission communication on the "Broad Guidelines of the Economic Policies of the Member States" during the first half of 1995, containing a larger section on employment. This document will be used as the basis for the draft text by the Ecofin" Council, which will be discussed at the Cannes European summit in June 1995. During the second half of the year, the Commission will publish its 1995 annual report on employment, which will concentrate specifically on the 5 main areas for combating unemployment defined in Essen; 2) at the beginning of October each year and, most importantly, in 1995, a summary report on employment trends and changes to the employment systems in Europe will be presented and published and the European Parliament and the other institutions will express their opinion on it. This report will concentrate on progress made in creating jobs and reducing unemployment; 3) presentation of the final summary report taking account of the opinion of the European Parliament and the other institutions; 4) the Social Affairs and Ecofin Councils will be called on to give their opinion on this summary report, which will be presented in December 1995 to the European Council, which should then be in a position to assess the progress made in creating jobs at the end of one year of Community monitoring; 5) the Commission will also take account of comments by the social partners both at Member State and EC level.

Employment in Europe. 1995 annual Report

1995/2231(COS) - 29/11/1995 - Text adopted by Parliament, single reading

In adopting the report by Mrs Anne VAN LANCKER (PSE, B), the European Parliament took stock of the European employment policy in 1995: I. Employment situation in the EU: in this first section, the European Parliament expressed its concern with regard to the figures set out in the Commission's report on employment for 1995 (COM(95)396). Whilst it welcomed the forecasts predicting a 7.5% unemployment rate in the year 2000, Parliament pointed out that this scenario would only be achieved if all the Member States' macro-economic policies were mobilised. In this respect, the Commission's estimates were sensitive, to say the least. Indeed, according to the EP, an annual GDP growth rate which was only a quarter of a point lower than that projected over the period 1996-2000 would put the unemployment rate in 2000 at 9% instead of 7.5% in the optimum scenario. It also noted that the Commission's scenario suggested that GDP growth would remain stuck at 2% or 2.5%, which would result in a temporary fall in unemployment (it would fall to about 9.75% in 1997 but rise to 11% in 2000). II. Employment policy in the Union (follow-up to Essen COM(95)74): whilst determined measures to combat unemployment were necessary to reduce ancillary wage costs, the reduction in non-wage labour costs was particularly important for unskilled jobs. In this context, the reduction of labour costs went hand in hand with measures in cooperation with the social partners. The EP also called for a detailed study of all alternative sources of revenue, such as the tax on CO2 emissions or other energy taxes. It called on the Member States to use their expenditure more actively to help job-seekers. Parliament also stressed that actively converting unemployment benefits into job subsidies and permitting these benefits to be drawn during training or when a job was found could help members of high-risk groups to re-enter employment. Genuine flexibility in various aspects of the labour market would have a positive impact on the growth of employment and would make the labour market more accessible to young people, women and long-term unemployed. This flexibility should be taken as a different planning of working life throughout a person's professional career and as different forms of organisation. As regards wage moderation, Parliament was in favour of positive but moderate wage increases, particularly for the lowest-paid groups. It called on the Madrid Council to take decisions on additional financing for the realisation of trans-European networks, environmental investment, research and the information infrastructure. It supported, in particular, the establishment of a job-creating strategy based on ecological restructuring. In this connection, Parliament called on the Commission to submit proposals for environmental investment ("Joint Environment Projects"). III. Strategy towards a European Employment Union (COM(95)465): Parliament urged the Council to adopt as soon as possible a coherent strategy for employment, assessing developments at all levels. The Commission should ensure that the criteria established in all the Member States to measure unemployment indicators were homogeneous and therefore comparable. It called for an interinstitutional agreement to be concluded on the procedure for monitoring employment, in which connection the EP should be able to play a more active role. It also proposed holding an annual employment conference and inserting in the Treaty a new chapter on employment policy which would lay down the objectives, procedures, monitoring criteria and the coordination of national measures in this area in line with the procedures established for EMU (a system of stages and penalties for non-compliance with objectives).