Basic information

1998/2195(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Employment in Europe. Annual report 1998 **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	GASÒLIBA I BÖHM Carles-Alfred (ELDR)	16/10/1998
FEMM Women's Rights	TORRES MARQUES Helena (PSE)	22/09/1998

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2136	1998-11-23
Social Affairs	2135	1998-11-20
Social Affairs	2127	1998-10-27
Social Affairs	2144	1998-12-01

Key events

Date	Event	Reference	Summary
14/10/1998	Non-legislative basic document published	COM(1998)0574	Summary
27/10/1998	Debate in Council		
10/11/1998	Vote in committee		Summary
10/11/1998	Committee report tabled for plenary	A4-0417/1998	
16/11/1998	Committee referral announced in Parliament		
17/11/1998	Debate in Parliament		
18/11/1998	End of procedure in Parliament		
20/11/1998	Debate in Council		
23/11/1998	Debate in Council		
01/12/1998	Debate in Council		

07/12/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1998/2195(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/4/10501

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0417/1998 OJ C 379 07.12.1998, p. 0006	10/11/1998	
Text adopted by Parliament, single reading		T4-0666/1998 OJ C 379 07.12.1998, p. 0060-0088	18/11/1998	Summary

European Commission

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	COM(1998)0572	14/10/1998	Summary
Non-legislative basic document	COM(1998)0574	14/10/1998	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0279/1998 OJ C 051 22.02.1999, p. 0059	18/11/1998	

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1998/2195(COS) - 18/11/1998 - Text adopted by Parliament, single reading

Parliament adopted the report by Mr Wim van VELZEN (EPP, NL) which analysed the Commission proposal for guidelines for Member States' employment policies in 1999 and its report on employment in 1998 (results achieved by the Member States on employment). Parliament pointed out that the national action plans had given new impetus to employment policies in all the Member States. However it was important that the next European summit in Vienna should add depth and detail to these plans in the light of experience gained during the first year. The Commission should use these guidelines to continue to set practical objectives based on comparisons. Parliament also dealt with the following points: 1) financial and economic aspects: Parliament advocated more effective coordination of economic and employment policies. The Council, Commission and Parliament should conclude an interinstitutional agreement on this coordination. The European Council should also set up a framework for dialogue between the institutions responsible for economic policy and the European social partners. Parliament once again stressed the need to develop alternatives to

taxation on labour. The Commission and the Member States should look into the possibilities and implications of VAT reduction on labour-intensive services. Parliament was particularly concerned by the slow pace at which the Member States have cooperated in taking explicit measures in the legal and taxation areas to strengthen the employment pillar of the guidelines and to stimulate entrepreneurship and it called on them to complete the single market and remove tax incentives for the relocation of investment. Parliament considered that a broadly based European investment programme was essential to promote growth and employment in the medium and long term. The Commission should undertake a feasibility study of the various financing mechanisms needed for such a programme; 2) prevention: considerable efforts should be made to reduce the number of new unemployed. Parliament hoped in particular to see greater implementation of the guidelines on training and equal opportunities. The Member States and the social partners should double the percentage of workers benefiting from training, with special attention being paid to older workers (50-64 years). Parliament also considered that efforts should be made to use the structural funds to preserve the qualifications of the labour force; 3) participation: Parliament called for a policy of gender mainstreaming throughout the guidelines and various measures facilitating women's (and migrants') access to work. The Council also had a responsibility to adopt a policy throughout the guidelines which encouraged non-discrimination of the sexes; 4)implementation: Parliament wished to see monitoring structures for equal opportunities and a timetable for the Commission's proposals on the proposed guidelines for employment. It also called for the funding for national action plans to be quantified as accurately as possible in order to provide adequate resources for employment policy reforms. With regard to working time, Parliament called on the social partners to negotiate agreements on more flexible arrangements for working time in line with workers' needs and the requirements of the production process. It also called for proposals for the reduction of the maximum weekly working time, with a reduction in the present limit of 48 hours. It asked that, before the end of 1999, the Union should have common indicators so that it could assess and monitor the application of the guidelines more effectively. The Commission was asked for a timetable for the presentation of its proposal on draft employment guidelines. Lastly the Commission was asked to submit a report on the employment implications of EMU for the countries inside the euro zone and those outside it.

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1998/2195(COS) - 14/10/1998 - Supplementary non-legislative basic document

OBJECTIVE: to propose guidelines for Member States' employment policies in 1999. CONTENT: in response to the new employment objectives of the Treaty of Amsterdam, the Commission proposes new employment guidelines for 1999, based mainly on the guidelines for 1998. The idea is to limit changes to previous guidelines to simple adjustments in order to maintain continuity in the employment projects launched by Member States (national action plans - NAPs) which integrate the objectives of the 1998 guidelines into employment plans for the Member States). The main approach for 1999 is to: - emphasise active measures by strengthening actions to make the acceptance of a job or training more attractive. The measures recommended involve reforming the tax and benefit systems and early retirement benefits; - life-long learning: encouraging older workers to gain new skills in the new information technologies; - labour market open to all: the objective is to integrate disadvantaged and other persons excluded from the labour market (such as ethnic minorities) into the employability pillar of the guidelines; - exploit the employment potential of services: the aim is to encourage employment in the particularly dynamic service sector and to tap the employment potential of the information society; - reconcile work and family life: the objective is to strengthen the present guideline so that responsibilities at work and at home can be better reconciled (mainly by proposing flexible working arrangements to those who want them and promoting leave schemes to allow employees to look after dependants). At the same time, the Commission proposes a number of more lateral changes which aim to promote apprenticeship training for young people who drop out of school early, strengthen entrepreneurship by training entrepreneurs and reducing start-up costs and charges, promoting the adaptability of workers by developing the partnership between the European Union, the Member States and enterprise and by adapting the existing regulatory framework. Finally, horizontal problems relating to the implementation of the guidelines need to be taken into account by the Member States when drawing up their 1999 NAPs: gender mainstreaming throughout the guidelines, the information society, undeclared work, promoting local development, re-structuring the European Social Fund. Quantitative targets and comparable indicators in all Member States also need to be defined so that actual progress can be monitored in the Member States in 3 job-creating areas: enterprise start-up, the cost of hiring additional workers and the cost of a home-help service.

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1998/2195(COS) - 14/10/1998 - Non-legislative basic document

OBJECTIVE: to present the Member States' employment rates in 1998. SUBSTANCE: This report aims to analyse employment performance in the EU in the recent past and to draw some conclusions about the potential contributions that individual Member States could make to achieve the desired significant increase in the employment rate. At 60.5%, the employment rate in Europe indicates a potential for employment expansion which is already used up in the USA and Japan. Twenty years ago employment rates in the EU and the US were similar, while in 1997 the spread was 14 percentage points (equivalent to some 34 million jobs). An analysis of employment rates by age group shows where the differences between the EU and the US lie. Employment rates for prime age males (25-54) are broadly similar to those in the US. Conversely, employment rates for young people (15-24), prime age women and older people (55-64), especially men, are much lower in Europe. They also vary widely within the EU. The Commission report considers that high overall employment rates depend on demand as well as supply side factors: - GDP growth is the primary determinant of employment growth but not necessarily of high employment rates; - the gap in employment between the EU and the US is not in agriculture, manufacturing or the public sector, but in the services sector; the difference in employment rates is particularly marked in communal services, business services and distribution, hotels and restaurants; - the differences between the Member States with high and low employment rates are essentially in these same sectors; - high employment rates in the Member States are associated with high rates of growth in employment of women; these could be improved by reforming the tax/benefits systems and childcare provision; - high overall employment rates are also associated with high youth employment rates; combining education and training courses with part-time jobs could allow young people over 18 to remain in education or training beyond basic schooling while starting work; - employment rates in the older age groups are either low (women) or declining (men); reversing trends towards early retirement will make an important contribution to raising the employment rate overall; - part-time work is an important factor behind high overall employment rates; a high degree of flexibility in working time improves the employment performance, both from the demand side (as flexibility is helpful for enterprises) and on the supply side (it is easier to combine work and family); - high employment rates are associated with high levels of education; - factors such as the taxation system, the way benefits operate, regulations on business and labour can be conducive to more employment or discourage it. The report also highlights areas where action could be taken to remedy this situation on the demand and supply sides of the economy.

It suggests that the broader policy framework be constructed in such a way that it is conducive to the creation of jobs and that barriers which hinder employment be removed. The report proposes continuing the efforts which have already yielded results through applying the 1998 employment guidelines and associating them with macro-economic and structural reforms. Among the factors included in this report, some will feature in the 1999 employment guidelines (in particular, changes in taxation and unemployment benefits, rules on the employment market, improving qualifications and better provision of childcare).