Basic information

2011/2320(INI) INI - Own-initiative procedure	Procedure completed
Employment and social aspects in the annual growth survey 2012 **Subject** 4.10 Social policy, social charter and protocol 4.15 Employment policy, action to combat unemployment 5.05 Economic growth	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
EMPL Employment and Social Affairs	CORNELISSEN Marije (Verts/ALE)	17/11/2011
	Shadow rapporteur KOZŁOWSKI Jan (PPE) BERÈS Pervenche (S&D) HARKIN Marian (ALDE) CABRNOCH Milan (ECR) MURPHY Paul (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3141	2012-01-24
Environment	3139	2011-12-19

European Commission

Commission DG	Commissioner
Secretariat-General	BARROSO José Manuel

Key events

Date	Event	Reference	Summary
23/11/2011	Non-legislative basic document published	COM(2011)0815	Summary
19/12/2011	Debate in Council		Summary
19/01/2012	Committee referral announced in Parliament		
24/01/2012	Debate in Council		Summary
26/01/2012	Vote in committee		
31/01/2012	Committee report tabled for plenary	A7-0021/2012	Summary
15/02/2012	Decision by Parliament	T7-0047/2012	Summary
15/02/2012	Results of vote in Parliament		
15/02/2012	Debate in Parliament		
15/02/2012	End of procedure in Parliament		

Technical information	
Procedure reference	2011/2320(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/7/07930

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE478.458	15/12/2011	
Amendments tabled in committee		PE478.538	21/12/2011	
Committee report tabled for plenary, single reading		A7-0021/2012	31/01/2012	Summary
Text adopted by Parliament, single reading		T7-0047/2012	15/02/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0815	23/11/2011	Summary
Commission response to text adopted in plenary	SP(2012)322	05/06/2012	

Employment and social aspects in the annual growth survey 2012

2011/2320(INI) - 23/11/2011 - Non-legislative basic document

PURPOSE: to present the Annual Growth Survey 2012, presentation of the joint employment report.

BACKGROUND: the annual growth survey is the starting point for the European Semester, which involves simultaneous monitoring of the member states' fiscal policies and structural reforms, in accordance with common rules, during a six-month period every year.

The European Semester was implemented for the first time in 2011 as part of a reform of EU economic governance. The 2012 European Semester will be the second such exercise, but the first since the establishment of a new procedure for excessive economic imbalances in the framework of the "**six pack**" on the reform of economic governance.

This year's Joint Employment Report, mandated by Article 148 TFEU, is part of the Commission package to launch the 2012 European Semester. As key input to strengthened economic guidance, the JER underpins and expands on key employment messages contained in the Annual Growth Survey.

The analysis and messages it contains are based on the employment and social situation in Europe, the implementation of the Employment Guidelines as well as on the results of country examination of the National Reform Programmes that led to the country-specific recommendations adopted by the Council in July 2011 and of their implementation so far.

CONTENT: a targeted programme to fast track growth has been presented by the Commission.

For 2012, the Commission considers that efforts at national and EU level should concentrate on the following five priorities:

1. Pursuing differentiated growth-friendly fiscal consolidation
2. Restoring normal lending to the economy
3. Promoting growth and competitiveness for today and tomorrow
4. Tackling unemployment and the social consequences of the crisis
5. Modernising public administration.

Social impact of the crisis: the social impact of the crisis is far-reaching. While the EU was able to create millions of jobs and increase the number of people in work since the mid-1990s, progress has stopped since 2008. Unemployment has increased significantly as a result, with **23 million people unemployed in the EU today**.

The crisis is precipitating major shifts across the economy, with business undergoing fast restructuring, many persons moving in and out of employment and working conditions being adjusted to changing environments. With job prospects deteriorating, a significant share of the population may not manage such transitions. The share of long-term unemployed has increased, with risks of falling permanently outside the labour force. The implementation of **balanced flexicurity policies** can help workers to move across jobs and labour market situations. At the same time, the effect of demographic ageing is now accelerating the withdrawal of experienced workers from the labour market and the prospect of a stagnating/diminishing working age population is imminent in several Member States.

The scope and pace of these changes create the risk of a **structural mismatch between the supply and demand for labour** which will hinder recovery and long-term growth. While unemployment has been reaching high levels, the number of unfilled vacancies has also been increasing since mid-2009. This situation results from inadequate wage conditions, lack of adequate skills or limited geographic mobility.

Already before the crisis, performance of Member States in terms of participation of all age groups in employment, as well as in terms of education, training and lifelong learning, varied widely and the overall EU average was falling behind in international comparison.

Mobilising labour for growth: to create jobs and ensure a job-rich recovery, the Commission considers that Member States should give particular priority to the following:

- moving forward with the agreed recommendations on revising wage-setting mechanisms, in conformity with national social dialogue practices, to better reflect productivity developments, and adapting unemployment benefits further, combined with more effective activation and appropriate training and support schemes, to facilitate the return to work.
- **enhancing labour mobility** by removing remaining legal obstacles, by facilitating the recognition of professional qualifications and experience, by strengthening cooperation between public employment services, and by reviewing the functioning of housing markets and the provision of transport infrastructure.
- **restricting access to early retirement schemes** and other early exit pathways while supporting longer working lives by providing better access to life-long learning, adapting work places to a more diverse workforce, and developing employment opportunities for older workers, including through incentives.
- **promoting business creation and self-employment**, including **social entrepreneurship**, by improving the quality of support systems, and promoting entrepreneurial skills.
- developing initiatives that facilitate the development of sectors with the highest employment potential, including in the low-carbon, resource-efficient economy ("green jobs"), health and social sectors ("white jobs") and in the digital economy.

Supporting employment especially of young people: a particular focus is needed on young people. Between 2008 and 2010, the total number of young (under 25) unemployed in the EU increased by one million – making it one of the groups that have been worst affected by the crisis. **EU-wide unemployment rate has increased to over 20%,** with peaks of more than 40% in some Member States. This group also faces other structural challenges, hindering their integration into the labour market. For instance, 40% of young employed persons work on temporary contracts. Moreover,

one out of seven (14.4%) currently leaves the education system with no more than lower secondary education and participates in no further education and training.

In these circumstances, the Commission considers that Member States should give priority to:

- identifying the most urgent needs and proposing concrete actions, targeting in particular **young people who are not in employment**, education or training, as well as commitments to promote quality apprenticeships and traineeship contracts and entrepreneurial skills. Particular attention should be paid to a vocational training dimension in tertiary education systems and getting work experience;
- engaging with social partners to implement commitments to promote quality apprenticeships and traineeship contracts, especially in sectors with bottlenecks in filling vacancies, so that young people gain real work experience and quickly enter the job market;
- **reforming employment protection legislation** in consultation with social partners, reducing the excessive rigidities of permanent contracts and providing protection and easier access to the labour market to those left outside, in particular young people;
- **further adapting education and training systems** to reflect labour market conditions and skills demand, while reinforcing their efficiency and quality, and focusing on sectors and occupations that experience the most pronounced skills or labour shortages – for instance, the number of IT graduates has not increased since 2008 and if this persists, the EU may lack 700 000 IT professionals by 2015;
- **reviewing the quality and funding** of the universities and considering measures such as the introduction of tuition fees for tertiary education, accompanied by student loan and scholarship schemes, or alternative sources of funding, including the use of public funds to leverage private investment.

Protecting the vulnerable: in addition to economic realities, the social tissue of the EU is being put to the test. The crisis has disproportionately hit those who were already vulnerable and has created new categories of people at risk of poverty. There are also clear signs of increases in the number of people at risk of income poverty, notably child poverty, and social exclusion, with acute health problems and homelessness in the most extreme cases. People with no or limited links to the labour market – such as pensioners or vulnerable people dependent on social benefits, for instance single parents – are also exposed to changes affecting the calculation and eligibility of their source of income.

The Commission considers that Member States should give priority to:

- further improving the **effectiveness of social protection systems** and making sure that social automatic stabilisers can play their role as appropriate, avoiding precipitate withdrawals of past extensions of coverage and eligibility until jobs growth substantially resume;
- the implementation of **active inclusion strategies** encompassing labour market activation measures, and adequate and affordable social services to prevent marginalisation of vulnerable groups;
- ensuring **access to services** supporting integration in the labour market and in society, including by ensuring access to a basic payment account, electricity supply to vulnerable customers and access to affordable housing.

Employment and social aspects in the annual growth survey 2012

2011/2320(INI) - 19/12/2011

The Council took note of oral information from the Commission concerning the Annual Growth Survey for 2012 (17229/11 + ADD 1 + ADD 2 + ADD 3 + ADD 4), which was published on 23 November 2011, launching the 2012 European semester of economic governance. The survey is the basis for building the necessary common understanding on the priorities for action at national and EU level for the next twelve months, which should then feed into national economic and budgetary decisions, taking up the EU country-specific recommendations and where relevant the commitments made under the Euro Plus Pact.

The Commission will present to the June European Council a detailed assessment of the implementation by member states of the country-specific recommendations and the Euro Plus Pact commitments in the country-by-country analysis.

It should be recalled that, for 2012, the Commission is of the opinion that efforts at national and EU level should concentrate on the following five priorities:

1) pursuing differentiated growth-friendly fiscal consolidation;

2) restoring normal lending to the economy;

3) promoting growth and competitiveness for today and tomorrow;

4) tackling unemployment and the social consequences of the crisis; and

5) modernising public administration.

Employment and social aspects in the annual growth survey 2012

2011/2320(INI) - 24/01/2012

The Council discussed the Commission's annual growth survey, focusing on ways at the current juncture to promote growth and employment in the short and medium term without compromising the fiscal consolidation necessary for restoring sustainability and confidence. Draft conclusions will be prepared in the light of the Council's discussion, for adoption at its meeting on 21 February 2012.

The Commission's annual growth survey outlines **priority actions** to be taken by Member States in order to ensure better-coordinated and more effective policies for putting Europe's economy on a path to sustainable growth.

1. Pursuing differentiated growth-friendly fiscal consolidation:

- Member States benefitting from financial assistance programmes and those under close market scrutiny should continue to meet agreed budgetary targets in spite of possibly changing macro-economic conditions;
- Member States with a significant adjustment gap under excessive deficit procedure, or a high deficit should step up their consolidation efforts. Possible limited downwards revisions of the main macro-economic scenario should not result in delays in the correction of excessive deficits;
- in Member States which do not have an excessive deficit, and that are on an appropriate adjustment path towards their medium-term objectives, budgetary policy can play its counter-cyclical and stabilising role, as long as medium-term fiscal sustainability is not put at risk.

On the **expenditure** side, Member States should keep public expenditure growth below the rate of medium-term trend GDP growth.

2) Restoring normal lending to the economy: the bank excesses leading up to the crisis have resulted in a widespread fragility in the sector and now risk acting as a brake on economic recovery. Restoring investor confidence will require a strengthening of banks capital positions and measures to support banks access to funding, and will help to sever the link between the sovereign crisis and the financial sector. The objective is also to address the weakness in the current regulatory and supervisory framework and enable more normal lending patterns to business and to private households, without the excessive risk taking of the pre-crisis period.

3) Promoting growth and competitiveness: placing particular emphasis on the digital economy, the internal market for services, as well as a better use of the EU budget (in particular the potential of the Structural Funds) in favour of growth and competitiveness.

4) Tackling unemployment and the social consequences of the crisis, in particular by i) promoting labour mobility, ii) facilitating the recognition of professional qualifications, iii) strengthening cooperation between public employment services, iv) restricting access to early retirement schemes while supporting longer working lives, v) improving access to lifelong learning, and vi) protecting the vulnerable.

5) Modernising public administration: the Commission is of the opinion that the Member States should give priority to the following actions: i) improving their business environments by minimising administrative burdens, reducing unnecessary regulations and permits and introducing simpler and quicker procedures in particular in their judicial systems; ii) ensuring that exchanges between administrations and enterprises, as well as citizens, can be done digitally; iii) facilitating the creation of new businesses by implementing the commitment in the Small Business Act to reduce the time for starting up of a company to 3 days, and iv) building administrative capacity, in particular the necessary expertise to ensure speedier disbursement of unused funds on growth-enhancing projects.

The European Semester was implemented for the first time in 2011 as part of a reform of EU economic governance. The 2012 European Semester will be the second such exercise, but the first since a new procedure on excessive economic imbalances was introduced as part of the governance reform.

At its meeting on 1 and 2 March, the European Council will assess implementation of country-specific recommendations made under the 2011 European Semester and will provide guidance for 2012.

Employment and social aspects in the annual growth survey 2012

2011/2320(INI) - 31/01/2012 - Committee report tabled for plenary, single reading

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;
- 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.

Employment and social aspects in the annual growth survey 2012

2011/2320(INI) - 15/02/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on employment and social aspects in the Annual Growth Survey 2012. Parliament recalls 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. The labour market situation is particularly critical for young people, regardless of their level of education, who often end up with precarious employment contracts and in unpaid traineeships. People approaching pension age, long-term unemployed workers, non-EU workers and low-skilled workers are also among those worse hit by the crisis.

Parliament also recalls 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 it is 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.

Key messages:

(1) **Ensure coherence and increase ambition to achieve the Europe 2020 objectives**: Parliament calls 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**: Parliament recalls 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. It considers 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. It calls 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.

Additional efforts to be pursued in the employment and social field: Parliament proposes a series of measures to strengthen employment policies. It suggests, in particular, the following:

1) Improve employment levels and the quality of employment: 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.

Parliament calls on the European Council to reinforce efforts to improve the Single Market, to enhance the digital economy and to focus on smart regulation to **reduce unnecessary red tape,** as well as to set up a **tax on financial transactions** to enhance sustainable job creation.

Member States are called upon to:

- 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;
- 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, Parliament calls 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, Parliament deplores 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. It calls 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, Parliament calls 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**.