# 2010/0115(NLE) NLE - Non-legislative enactments Decision Guidelines for the employment policies of the Member States. Part II of the Europe 2020 Integrated Guidelines See also 2011/0390(CNS) See also 2012/0335(NLE) See also 2015/0051(NLE) See also 2016/0043(NLE) Subject

4.15.02 Employment: guidelines, actions, Funds

**Commission DG** 

European

# **Key players** Appointed Committee responsible Rapporteur European **Parliament EMPL Employment and Social Affairs** RY Csaba (PPE) 22/10/2009 Shadow rapporteur STEINRUCK Jutta (S&D) TURUNEN Emilie (S&D) OVIIR Siiri (ALDE) **CORNELISSEN** Marije (Verts/ALE) CYMASKI Tadeusz (EFD) **Committee for opinion** Rapporteur for opinion Appointed **ECON Economic and Monetary Affairs** MARTIN Hans-Peter (NI) 18/05/2010 ITRE Industry, Research and Energy The committee decided not to give an opinion. Women's Rights and Gender Equality FEMM **Council configuration** Meetings **Date** Council of the European Union Employment, Social Policy, Health and Consumer Affairs 3039 2010-10-21 Employment, Social Policy, Health and Consumer Affairs 3019 2010-06-07

Commissioner

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Secretariat-General BARROSO José Manuel

Key events			
Date	Event	Reference	Summary
27/04/2010	Legislative proposal published	COM(2010)0193	Summary
06/05/2010	Committee referral announced in Parliament		
07/06/2010	Debate in Council		Summary
14/07/2010	Vote in committee		Summary
20/07/2010	Committee report tabled for plenary, 1st reading/single reading	A7-0235/2010	
07/09/2010	Debate in Parliament	CRE link	
08/09/2010	Decision by Parliament	T7-0309/2010	Summary
08/09/2010	Results of vote in Parliament	E	
21/10/2010	Act adopted by Council after consultation of Parliament		Summary
21/10/2010	End of procedure in Parliament		
24/11/2010	Final act published in Official Journal		

Technical information					
Procedure reference	2010/0115(NLE)				
Procedure type	NLE - Non-legislative enactments	NLE - Non-legislative enactments			
Procedure subtype	Consultation of Parliament	Consultation of Parliament			
Legislative instrument	Decision				
	See also 2011/0390(CNS) See also 2012/0335(NLE) See also 2013/0392(NLE) See also 2015/0051(NLE) See also 2016/0043(NLE)				
Legal basis	Treaty on the Functioning of the EU TFEU 148-p2				
Other legal basis	Rules of Procedure EP 165				
Stage reached in procedure	Procedure completed				
Committee dossier	EMPL/7/02516				

# **Documentation gateway**

# **European Parliament**

Document type	Committee	Reference	Date	Summary
Committee draft report		PE441.223	05/05/2010	
Amendments tabled in committee		PE442.904	04/06/2010	
Amendments tabled in committee		PE442.952	16/06/2010	
Amendments tabled in committee		PE442.935	16/06/2010	

Committee opinion		FEM	IM F	PE443.080		23/06/2010		
Committee opinion		ECO	N F	PE442.856		28/06/2010		
Committee report table reading	ed for plenary, 1st reading/single		A	7-0235/2010		20/07/2010		
Text adopted by Parlia	ment, 1st reading/single reading		Т	7-0309/2010		08/09/2010		Summary
European Commissio	on							
Document type			Reference	)	Date	•	s	ummary
Document attached to	the procedure		SEC(2010	)0488	27/0	4/2010		
_egislative proposal			COM(2010)0193		27/0	4/2010	S	ummary
Commission response to text adopted in plenary			SP(2010)7193		13/1	0/2010		
National parliaments								
Document type		Parliam /Chamb		Reference		Date		Summary
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Other institutions and	d bodies							
Institution/body	Document type		Reference		Date	)	s	ummary
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Additional information				
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National parliaments	IPEX			
European Commission	EUR-Lex			

Final act	
Decision 2010/0707 OJ L 308 24.11.2010, p. 0046	Summary

# Guidelines for the employment policies of the Member States. Part II of the Europe 2020 Integrated Guidelines

2010/0115(NLE) - 27/04/2010 - Legislative proposal

opinion, report

PURPOSE: to propose a series of coherent guidelines for Member States' employment policies drawing on the Europe 2020 strategy.

PROPOSED ACT: Council Decision.

BACKGROUND: on 26 March 2010, the European Council agreed to the European Commission's proposal to launch a new strategy for jobs and growth, Europe 2020, based on **enhanced coordination of economic policies**, which will focus on the key areas where action is needed to boost Europe's potential for sustainable growth and competitiveness. To that end, the European Council agreed to set EU headline targets, which constitute shared objectives guiding action of the Member States and of the Union.

This strategy will also be reflected in these employment guidelines. They give precise guidance to the Member States on defining their national reform programmes and implementing reforms, reflecting interdependence and in line with the Stability and Growth Pact. These guidelines will form the basis for any country-specific recommendations that the Council may address to the Member States. They will also form the basis for the establishment of the Joint Employment Report sent annually by the Council and Commission to the European Council.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASE: Article 148(2) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the guidelines for employment and economic policies are presented as two distinct - but intrinsically interconnected - legal instruments:

- 1. a Council Recommendation on broad guidelines for the economic policies of the Member States and of the Union -Part I of the Europe 2020 Integrated Guidelines;
- 2. a Council Decision on guidelines for the employment policies of the Member States -Part II of the Europe 2020 Integrated Guidelines.

These guidelines implemented by the above mentioned legal instruments form together the integrated guidelines for implementing the Europe 2020 strategy that comprise the framework for the Europe 2020 strategy and reforms at Member State level.

To ensure coherence and clarity, the guidelines are **limited in number** and reflect the European Council conclusions. The guidelines are integrated to ensure that national and EU-level policies contribute fully to achieving the objectives of the Europe 2020 strategy. Following them in a synchronised manner will help Member States reap the positive spill-over effects of coordinated structural reforms, particularly within the euro area.

On this basis, Member States will draw up **National Reform Programmes** setting out in detail the actions they will take under the new strategy, with a particular emphasis on efforts to meet the national targets.

Building on monitoring by the Commission and work done in the Council, the European Council will assess every year the overall progress achieved both at EU and at national level in implementing the strategy. Macroeconomic, structural, and competitiveness developments and overall financial stability will be examined simultaneously.

The "Europe 2020 Integrated Guidelines" are the following:

- Guideline 1: ensuring the quality and the sustainability of public finances
- Guideline 2: addressing macroeconomic imbalances
- Guideline 3: reducing imbalances in the euro area
- Guideline 4: optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy
- Guideline 5: improving resource efficiency and reducing greenhouse gases emissions
- Guideline 6: improving the business and consumer environment and modernising the industrial base
- Guideline 7: increasing labour market participation and reducing structural unemployment
- Guideline 8: developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning.
- Guideline 9: improving the performance of education and training systems at all levels and increasing participation in tertiary education
- Guideline 10: promoting social inclusion and combating poverty.

This proposal details Guidelines 7 to 10 as follows:

- 1. **Guideline 7: increasing labour market participation and reducing structural unemployment:** in this regard, Member States should ensure that the employment rate of men and women aged 20 to 64 reaches 75% **by 2020**, thanks to the greater participation of youth, older workers and low skilled workers and the better integration of legal migrants;.
- 2. Guideline 8: developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning: for this guideline, Member States should promote productivity and employability through an adequate supply of knowledge and skills to match current and future demand in the labour market. They should, in particular, improve access to training, strengthen education and career guidance combined with systematic information on new job openings and opportunities, promotion of entrepreneurship and enhanced anticipation of skill needs;
- 3. Guideline 9: improving the performance of education and training systems at all levels and increasing participation in third-level education: Member States should ensure that the drop out rate is reduced to 10%, whilst increasing the share of the population aged 30-34 having third-level or equivalent education to at least 40% in 2020;
- 4. **Guideline 10:** promoting social inclusion and combating poverty: in the context of this guideline, the number of Europeans living below the national poverty lines should be reduced by 25%, lifting over 20 million people out of poverty.

BUDGETARY IMPACT: this proposal has no impact on the EU's budget.

# Guidelines for the employment policies of the Member States. Part II of the Europe 2020 Integrated Guidelines

2010/0115(NLE) - 21/10/2010 - Final act

PURPOSE: to propose a series of coherent guidelines for Member States' employment policies drawing on the Europe 2020 strategy.

LEGISLATIVE ACT: Council Decision 2010/707/EU on guidelines for the employment policies of the Member States.

CONTENT: the Council adopted a decision establishing new guidelines for the employment policies of the Member States. The United Kingdom delegation abstained. The integrated guidelines represent the main tool of the Europe 2020 Strategy, the new ten-year strategy for jobs and smart, sustainable and inclusive growth. They lay the foundations for structural reforms which the Member States will have to carry out.

The Europe 2020 strategy is underpinned by a smaller set of guidelines, replacing the previous set of 24 and addressing **employment and broad economic policy issues** in a coherent manner. The guidelines are intrinsically linked with the guidelines for the economic policies of the Member States and of the Union, annexed to Council Recommendation of 13 July 2010 on broad guidelines for the economic policies of the Member States and of the Union. Together, they form the 'Europe 2020 integrated guidelines'.

They give precise guidance to the Member States on defining their National Reform Programmes and implementing reforms.

The revised guidelines are laid down in the annex to the Decision and may be summarised as follows :  $\frac{1}{2} \left( \frac{1}{2} \right) = \frac{1}{2} \left( \frac{1}{2} \right) \left( \frac{1$ 

**Guideline 7**: increasing labour market participation of women and men, reducing structural unemployment and promoting job quality. Member States should integrate the **flexicurity** principles endorsed by the European Council into their labour market policies and apply them, making appropriate use of European Social Fund and other EU funds support, with a view to increasing labour market participation and combating segmentation, inactivity and gender inequality, whilst reducing structural unemployment.

Member States should:

- introduce a combination of flexible and reliable contractual arrangements, active labour market policies, effective lifelong learning, policies to promote labour mobility, and adequate social security systems to secure labour market transitions accompanied by clear rights and responsibilities for the unemployed to actively seek work;
- step up social dialogue and tackle labour market segmentation with measures addressing precarious employment, underemployment and undeclared work;
- combat in-work poverty and promote occupational health and safety;
- encourage the right framework conditions for wage bargaining and labour cost development consistent with price stability and productivity trends;
- review tax and benefit systems, and public services capacity to provide the support needed, in order to increase labour force participation and stimulate labour demand;
- promote active ageing, gender equality including equal pay, and the integration in the labour market of young people, people with disabilities, legal migrants and other vulnerable groups;
- remove barriers to labour market entry for newcomers, promote self-employment, entrepreneurship and job creation in all areas including green employment and care and promote social innovation.

The EU headline target, on the basis of which Member States will set their national targets, taking into account their relative starting positions and national circumstances, is to aim to raise the employment rate for women and men aged 20-64 to 75 % by 2020, including through the greater participation of young people, older workers and low-skilled workers and the better integration of legal migrants.

**Guideline 8**: developing a skilled workforce responding to labour market needs and promoting lifelong learning. Member States should promote **productivity and employability** through an adequate supply of knowledge and skills to match current and future demand in the labour market. Quality initial education and attractive vocational training must be complemented with effective incentives for lifelong learning for those who are in and those who are not in employment, thus ensuring every adult the chance to retrain or to move one step up in their qualification and overcome gender stereotypes, as well as by opportunities for second-chance learning and by targeted migration and integration policies.

Member States should develop systems for recognising acquired competencies, and should remove barriers to occupational and geographical mobility of workers, promote the acquisition of transversal competences to support creativity, innovation and entrepreneurship.

In particular, efforts should focus on:

- · supporting those with low and obsolete skills,
- increasing the employability of older workers, enhancing training, skills and experience of highly skilled workers, including researchers and women in scientific, mathematical and technological fields.

Member States should:

- improve access to training, strengthen education and career guidance;
- support young people and in particular those not in employment, education or training;
- in cooperation with the social partners, enact schemes to help those people find initial employment, job experience, or further education and training opportunities, including apprenticeships, and should intervene rapidly when young people become unemployed.

**Guideline 9**: Improving the quality and performance of education and training systems at all levels and increasing participation in tertiary or equivalent education. Member States should invest efficiently in education and training systems notably to **raise the skill level of the EU's workforce**, allowing it to meet the rapidly changing needs of modern labour markets and society at large.

Reforms should aim to ensure:

- the acquisition of the key competencies that every individual needs for success in a knowledge-based economy;
- international mobility for learners and teachers;
- the openness and relevance of education and training systems, particularly by implementing national qualification frameworks enabling flexible learning pathways;
- that higher education should become more open to non-traditional learners and participation in tertiary or equivalent education should be increased;
- that Member States take all necessary steps to prevent early school leaving.

**The EU headline target**, on the basis of which Member States will set their national targets, taking into account their relative starting positions and national circumstances, will aim to reduce drop out rates to **less than 10** %, and increase the share of 30-34 year-olds having completed tertiary or equivalent education to at least 40 %.

**Guideline 10**: promoting social inclusion and combating poverty. Member States should prevent and reduce poverty and promote full participation in society and economy. Appropriate use of the European Social Fund and other EU funds should be made to that end.

Member States should also put in place:

- effective anti-discrimination measures;
- enhanced social protection systems, lifelong learning and comprehensive active inclusion policies to create opportunities at different stages of people's lives and shield them from the risk of exclusion, with special attention to women;
- · modernised social protection systems, including pensions and access to healthcare to ensure adequate income support and services;
- a system for quantitative targets in the field of education.

Benefit systems should focus on **ensuring income security** during transitions and reducing poverty, in particular among groups most at risk from social exclusion, such as one-parent families, minorities including the Roma, people with disabilities, children and young people, elderly women and men, legal migrants and the homeless. Member States should also actively promote the social economy and social innovation in support of the most vulnerable.

The EU headline target, on the basis of which Member States will set their national targets, taking into account their relative starting conditions and national circumstances, will aim at promoting social inclusion, in particular through the reduction of poverty by aiming to lift at least 20 million people out of the risk of poverty and exclusion.

# Guidelines for the employment policies of the Member States. Part II of the Europe 2020 Integrated Guidelines

2010/0115(NLE) - 08/09/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 566 votes to 59, with 66 abstentions, a legislative resolution amending the proposal for a Council decision on guidelines for the employment policies of the Member States (Part II of the Europe 2020 Integrated Guidelines).

The main amendment are as follows:

Improve existing policies: apart from new EU legislative initiatives with a social focus, the European Union needs to improve significantly its existing policies and their implementation. Member States' reform programmes should aim at fostering employment-enhancing growth based on decent work as promoted by the ILO and "good work", as guiding principles, which should govern both job creation and labour market integration. Equal

treatment and equal pay for equal work at the same workplace should be safeguarded and strengthened. Particular attention should also be paid to **reducing poverty** among the increasing number of working poor, and to combating child poverty.

**Open method of coordination**: given the uneven progress made in implementing the Lisbon Strategy in different EU countries, Members state that there are increasing doubts as to the usefulness of the open method of coordination. This method needs to be improved so that it has a greater impact in terms of the implementation of the objectives that have been set.

**Implementation of guidelines**: when designing and implementing their national reform programmes taking account of the guidelines in the Annex, Member States shall ensure effective governance of employment and social policies. Stakeholders, including those at regional and local level and including those affected by the different aspects of Europe 2020 strategy, parliamentary bodies and social partners shall be **closely involved** throughout the design and implementation, monitoring and evaluation of those programmes, including in the definition of targets and indicators.

Parliament considers that the EU headline targets, as set out in the Annex, shall be followed up with appropriate **sub-targets and indicators**, including outcome and result indicators, as well as national targets, indicators and scoreboards. Member States shall take those targets and indicators into account, along with the guidelines and any country-specific recommendations addressed to them by the Council. Member States shall closely monitor the employment and social impact of reforms implemented under respective national reform programmes.

Parliament suggests clarifying the following guidelines:

# Guideline 7: Creating more and better jobs, reducing unemployment and increasing labour market participation to 75% of the active population:

The Member States will set their national targets for increasing the employment rate for women and men to 75% by 2020, with the aim of reaching full employment, in particular through greater labour market participation of young people, older workers, the low-skilled and people with disabilities, minorities, in particular the Roma and the better integration of legal migrants. Furthermore, Member States will set their national targets so that the share of 15 to 24 year-old women and men in education, training or employment increases to at least 90%.

Member States will increase the employment rate by 10%, focusing on particular groups, by 2014: (i) young people aged between 15 and 25 years; (ii) older workers aged between 50 and 64 years; (iii) women; (iv) unskilled workers; (v) people with disabilities; (vi) people with migrant backgrounds.

The rate of people who are long-term unemployed should be reduced by 10%.

To reach this goal, the Member States should in particular:

- promote growth, thereby creating new decent jobs, increase the innovative potential of the economy, in particular of SMEs,
- improve women's and young people's access to the labour market, by taking into account the demographic challenges, conditions should be created for adequate child care facilities, so that every child of pre-school age can be provided with child care outside the family, and every young person is provided with a real job or a place in training or further education within four months after finishing school, in close cooperation with the social partners:
- ensure that at least 25% of all long-term unemployed participate in an active labour market measure in the form of advanced training, education and/or an occupational redeployment;
- increase the employment rate through activation measures, in particular for young people, low-skilled and people requiring particular protection and/or support, through advisory services and education and professional training adapted to the labour market's needs;
- safeguard and strengthen equal treatment and equal pay for equal work in the same workplace;
- increase the **employability of legal migrants** with appropriate programmes;
- continue efforts and innovative programmes to reintegrate people with disabilities into the labour market, including through subsidised jobs;
- remove the barriers which make it more difficult for people to enter the labour market for the first time, support the creation of jobs, foster social innovation and increase the quality and effectiveness of job placement services, including public employment services;
- support individual and collective forms of self-employment through social economy-type enterprises;
- take special measures against the dominance of women in poorly paid work and support the employment of women in management posts;
- effectively promote flexicurity strategies which should be better applied through active labour market policies;
- ensure that **new forms of employment** are not created at the expense of regular (full-time, permanent) contracts;
- increase employability and job quality: the resources of the European Social Fund should be fully used for this purpose;
- promote and invest in **social services of general interest** including employment, health and housing services which have to be funded sufficiently.

# Guideline 8: Promoting job quality and lifelong learning, strengthening decent work and developing a skilled workforce.

The Member States will set their national targets at reducing the school drop-out rate below 10% by 2020, whilst increasing the share of the population aged 30-34 having completed tertiary or equivalent education to at least 40%.

The resolution highlights the need for high-quality initial education and attractive vocational training helping workers to adjust their skills to the labour market needs are high priorities for Member States. They must be completed with **second-chance opportunities** for young people aged especially between 25 and 35 which include an obligatory offer of educational and vocational training and effective incentives for lifelong learning.

Access to high-quality general and vocational training and the reintegration of school drop-outs in the education system should be possible for everyone at any time.

## Guideline 8a: Strengthening social and economic cohesion policy in support of employment.

Member States commit themselves to arranging, complementing, coordinating and adjusting their national targets, within and among each other, in a way that imbalances in economic development between regions will be reduced. The Member States should invest more in transport, energy, telecommunication and IT infrastructure and make full use of the European Structural Funds. The participation of potential beneficiaries in Union cofounded programmes should be encouraged by simplification of delivery systems.

To achieve this, Member States should **create synergies between their cohesion policies and other existing sectoral policies**, in accordance with an integrated approach.

Guideline 9: Improving the performance of education and training systems at all levels and increasing participation in tertiary education.

It should be noted that the committee proposes to transfer the main objective as well as the recommendations of Guideline 9 in the Commission text to before the first paragraph of Guideline 8 in Parliament's amendment.

### Guideline 10: Promoting social inclusion and combating poverty.

The Member States will set their national targets to reduce by 25 % the number of Europeans living below national poverty lines, lifting over 20 million people out of poverty, in particular by employment and education policy measures.

In order to pursue this objective, it is necessary to:

- create opportunities to participate in the labour market or to return to it for all social groups, irrespective of locality or level of education;
- strike a balance between giving people a sufficient sense of security and preserving their motivation to work and earn income. To achieve this target, Member States should make an effort to reduce poverty, including **in-work poverty**, promote full participation, at people's own choosing, in politics, society, the arts and the economy and extend employment opportunities, in regard to which the European Social Fund is to be used. In order to formulate specific objectives to combat poverty it must be made clear how poverty should be measured;
- tackle **child poverty** through appropriate measures so that children are not restricted in their personal development and are not underprivileged when entering professional life due to poverty related interferences of their free development;
- strengthen income security at various stages of life by ensuring adequate minimum incomes that should at least be above the poverty line, in accordance with the various practices, collective agreements and legislation in the Member States;
- strengthen and modernise social protection systems, including pensions and healthcare;
- improve social protection of short-term contracts, which affect women in particular, and pregnant women more particularly again, should be improved by Member States;
- put in place efficient approaches under active labour market policy for training and job creation have to be created for those who are excluded from the labour market owing to lack of training.

Lastly, Parliament reiterates its long-stranding call on the Commission and the Council to ensure that Parliament is given the necessary time, and in any event no less than five months, to fulfil its consultative role defined in Article 148(2) TFEU in respect of the revision of the guidelines for the employment policies of the Member States.

# Guidelines for the employment policies of the Member States. Part II of the Europe 2020 Integrated Guidelines

2010/0115(NLE) - 21/10/2010

The Council adopted a decision establishing new guidelines for the employment policies of the member states. The United Kingdom delegation abstained

The employment policy guidelines form one part of the integrated guidelines, the other part being the broad guidelines for the economic policies of the member states, which the Council already adopted in July 2010. The integrated guidelines represent the main tool of the Europe 2020 Strategy, the new ten-year strategy for jobs and smart, sustainable and inclusive growth. They lay the foundations for structural reforms which the member states will have to carry out.

The integrated guidelines contain five EU headline targets, of which three belong to the guidelines for the employment policies of the member states and concern labour market participation, the fight against social exclusion and poverty, and the quality and performance of education and training systems.

The headline target for the labour market seeks to increase to 75%, by 2020, the labour market participation of women and men aged 20-64 through, inter alia, greater participation by young people, older workers and low-skilled workers and better integration of legal migrants. The headline target for social inclusion and combating poverty aims to lift at least 20 million people out of the risk of poverty and exclusion.

The headline target for improving the quality and performance of education and training systems is to reduce drop-out rates to less than 10%, and increase the share of 30 to34- year-olds having completed tertiary or equivalent education to at least 40%.

The two remaining headline targets of the integrated guidelines belong to the broad guidelines for the economic policies of the member states; they aim to increase the combined public and private investment levels for research and development to 3% of Gross Domestic Product (GDP) by 2020 and to reduce by 2020 greenhouse gas emissions by 20% compared to 1990 levels, to increase the share of renewable energy sources in final energy consumption to 20 % and to move towards a 20% increase in energy efficiency.

All five headline targets must be translated by member states into national targets, taking into account their relative starting positions and national circumstances. Member states must submit their draft national reform programmes including their national targets by 12 November. By mid-April 2011, the national reform programmes should be finalised. The European Council will assess annually the progress made at both EU and member state level under the 2020 Strategy.

# Guidelines for the employment policies of the Member States. Part II of the Europe 2020 Integrated Guidelines

2010/0115(NLE) - 07/06/2010

The Council also agreed a general approach on guidelines for Member States' employment policies (10380/10+ 10380/10 COR 1) as part of the integrated guidelines, pending the receipt of the opinions from the European Parliament and the Committee of Regions. After receiving the outstanding opinions the Council will formally adopt the decision, most likely in October 2010.