


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">1997/2186(COS)</a>	Procedure completed
Employment: asking a Parliament report for the Luxembourg European Council, 20 and 21.11.1997		
Subject 4.15 Employment policy, action to combat unemployment		

Key players			
European Parliament	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy		
	<b>ENER</b> Research, Technological Development and Energy		
	<b>RELA</b> External Economic Relations		
	<b>REGI</b> Regional Policy		
	<b>ENVI</b> Environment, Public Health and Consumer Protection		04/09/1997
		PSE <a href="#">COLLINS Kenneth D.</a>	
	<b>FEMM</b> Women's Rights		02/09/1997
	V <a href="#">VAN DIJK Nel B.M.</a>		
Council of the European Union			

Key events			
17/07/1997	Non-legislative basic document published	<a href="#">N4-0389/1997</a>	Summary
18/07/1997	Committee referral announced in Parliament		
07/10/1997	Vote in committee		Summary
07/10/1997	Committee report tabled for plenary	<a href="#">A4-0307/1997</a>	
21/10/1997	Debate in Parliament		
21/10/1997	Decision by Parliament	T4-0485/1997	Summary
21/10/1997	End of procedure in Parliament		
10/11/1997	Final act published in Official Journal		

Technical information	

Procedure reference	1997/2186(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/4/09176

### Documentation gateway

Non-legislative basic document	<a href="#">N4-0389/1997</a>	17/07/1997	CSL	Summary
Economic and Social Committee: opinion, report	<a href="#">CES0991/1997</a> <a href="#">OJ C 355 21.11.1997, p. 0064</a>	01/10/1997	ESC	
Committee report tabled for plenary, single reading	<a href="#">A4-0307/1997</a> <a href="#">OJ C 339 10.11.1997, p. 0006</a>	07/10/1997	EP	
Text adopted by Parliament, single reading	T4-0485/1997 <a href="#">OJ C 339 10.11.1997, p. 0020-0030</a>	21/10/1997	EP	Summary

## Employment: asking a Parliament report for the Luxembourg European Council, 20 and 21.11.1997

OBJECTIVE: to ask the European Parliament to draw up a report on the implementation of a coordinated strategy on employment and the fight against unemployment at European level, with a view to preparing the extraordinary European Council on employment (20-21 November 1997). CONTENT: in a letter to the President of the European Parliament, the president-in-office of the Council, Mr JUNKER, called on the European Parliament to draft a report containing practical proposals for a coordinated strategy, at Community level, on employment and on the fight against unemployment. This report would need to be ready in time for the extraordinary summit of heads of state and government on the problem of unemployment to be held in Luxembourg on 20-21 November 1997. This meeting is in response to the decision taken at the Amsterdam Summit to provide the European Union with a series of mechanisms which aim to achieve a coordinated response to the problem of employment and the fight against unemployment. According to the President of the Council, the objective of the meeting is to achieve tangible results, not make a purely symbolic gesture. Apart from Parliament, the Council has also asked for input from the heads of state and government of the Fifteen, the Employment and Labour Market Policy Committee, the Economic and Social Committee and the Committee of the Regions.?

## Employment: asking a Parliament report for the Luxembourg European Council, 20 and 21.11.1997

The Committee adopted a report which reviews the possibilities of generating employment under the new Amsterdam Treaty provisions. The report, prepared by Mr Wim VAN VELZEN (PES, NL), presents a selection of practical policy proposals. When approved by Parliament, the report will be submitted to the Luxembourg Employment Summit, scheduled to be held on 20-21 November. According to the committee, there is no need to start all over from scratch: previous reports from the Council, Commission and Parliament already contain enough ideas, which now need to be elaborated in detail. The main task is to define an active labour market strategy which can be implemented without delay both at European and national level. The committee emphasizes that special attention should be devoted to the long-term unemployed. At the moment, 50 % of the 18 million unemployed people in the EU have been without work for more than a year, and 30 % for two years or longer. Another priority group consists of the young - 20 % of whom are unemployed in some countries and 14 million without further qualifications. A third priority group is the disabled, with an unemployment rate as high as 50-70 % in some countries. Without retraining and the opportunity for work experience, it is unlikely that these people will be integrated into the labour market. Following on from President Santer's proposals to Parliament, the committee supports his suggestion that the EU and its Member States should cooperate to increase the number of people in work from 60.4 % of the current EU working population to 65 % over the next five years, with a view to reducing the unemployment rate from the present 10.8 % to 7 %. Similarly, youth unemployment should be reduced to 50 % of its current level within the next three years. National governments should not, however, have sole responsibility for training. Each government and the two sides of industry should cooperate to make sure that unemployed young people, who have undergone training, find jobs as quickly as possible. "Contracts" under which a job is guaranteed for at least a year after training has been completed should be introduced. The report proposes a number of additional measures, such as redistributing work by reducing working hours and overtime, job sharing, parental leave and "lifelong learning". On the financial side, the Member States should increase average spending on education, professional training and RTD, and allocate at least 50 % of structural funding to this effect. In addition, the committee is calling for a lower VAT rate for labour-intensive sectors. Finally, it is urging the Member States to transfer 30 % of the budget at present devoted to "passive" employment measures such as unemployment benefit into job-creation schemes over the next two years. The committee stresses that some its proposals have already been made to Council before. New recommendations without a clear commitment will do nothing to assist the unemployed. To be efficient, a European employment strategy requires specific objectives, which must be pursued with the same determination as the EMU criteria. ?

## Employment: asking a Parliament report for the Luxembourg European Council, 20 and 21.11.1997

---

In adopting the report by Mr Wim van Velzen ( PSE, NL), the European Parliament approved a resolution constituting its official contribution to the Extraordinary Summit on Employment on 20-21 November 1997. Parliament considers that the Summit should give rise to firm commitments on job creation in the form of verifiable convergence criteria together with quantitative objectives. The aim should be to reduce the EU unemployment rate from its present 10.8% to 7% within five years and to cut the present youth unemployment rate (20%) by half. The employment rate in the Community should be increased from the present 60.4% to 65%. The report suggests that the Committee on Employment should establish indicators in the various sectors and that a norm be adopted which reflects the ratio between the active and inactive populations in the three Member States with the best employment rates. As regards training, Parliament calls upon all parties to ensure that training programmes are oriented towards the unemployed and provide a guarantee that persons who undergo training will afterwards be given employment for at least a year. Member States must align their efforts to promote training and fund active employment measures rather than passive measures such as unemployment benefit, and they should involve the two sides of industry by encouraging them to enter into training or job creation agreements based on arrangements for job rotation, parental leave or lifelong learning. Labour market flexibility (working time, working hours, sabbatical leave, etc.) must be encouraged by means of a non-legislative and non-compulsory process based on social dialogue at company level. In this connection, Parliament calls on the Commission and the two sides of industry to make proposals guaranteeing workers in 'atypical' employment the same rights as those working full-time. On the subject of tax measures, Parliament calls for the introduction of a social or minimal VAT rate for labour-intensive services and the voluntary and cooperative sector. Taxation of labour must be reduced, as must total taxation, for both companies and individuals. Interaction between tax systems and social protection schemes must be improved, and steps must be taken to combat the informal economy. R & D activities must also be encouraged through tax concessions, and the administrative burdens on businesses (especially SMEs) must be simplified. At EU level, Parliament calls on the Council and the Commission to assess the effect on employment of all the measures taken. It also calls for the Structural Funds to be geared more towards preventing long-term unemployment and for under-utilized EU budget appropriations to be used to fund employment measures. Before the end of 1998, the remaining reserves entered in the ECSC budget should be used for employment purposes, and special funds should be allocated to the EIB. Finally, Parliament suggests that the Employment Summit should adopt a procedure for coordinating economic policies and that employment guidelines should be drawn up. In particular, Parliament calls on the Luxembourg Council to conclude a binding European Pact for Employment, Sustainability and Solidarity as a complement to the Stability Pact concluded in Amsterdam. It also advocates a European tax pact to put an end to tax competition in the EU. ?