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Committee on Employment and Social Affairs

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DRAFT REPORT

on the proposal for a Council decision on guidelines for the employment policies of the Member States
(COM(2008)0869 – C6-0000/2009 – 2008/0252(CNS))

Committee on Employment and Social Affairs

Rapporteur: Jan Andersson

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). Suggested corrections of this kind are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision on guidelines for the employment policies of the Member States
(COM(2008)0869 – C6-0000/2009 – 2008/0252(CNS))**

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2008)0869),
 - having regard to Article 128(2) of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0000/2009),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A6-0000/2009),
1. Approves the Commission proposal;
 2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 3. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
 4. Reiterates its longstanding call on the Commission and the Council to ensure that the Parliament is given the necessary time, and in any event no less than five months, to fulfil its consultative role, as defined in Article 128(2) of the Treaty, during the full revision of the Employment Guidelines, which is scheduled to take place at the end of 2010;
 5. Instructs its President to forward its position to the Council and the Commission.

EXPLANATORY STATEMENT

Since the revision of the Lisbon Strategy in 2005, the Employment Guidelines are integrated with macroeconomic and microeconomic policies as elaborated in the Broad Economic Policy Guidelines and are set for a three year period. The second three year cycle of governance was launched in 2008 and runs until 2010.

The proposal for 2009 Employment Guidelines according to Article 128(2) is based on Commission's assessment of implementation of the National Reform Programmes and of recent labour market developments. The assessment shows that the employment performance was generally solid in the last year. However, employment growth has weakened in several Member States by mid-2008. In addition, major challenges faced by the European labour markets remain unchanged. It is therefore unlikely that the Lisbon targets for employment, other than for women, will be achieved by 2010.

Furthermore, the assessment took place in a moment of extreme uncertainty when the financial and economic turmoil started to have a negative impact on the real economy. The economic outlook has changed dramatically over the second half of 2008 and beginning of this year. Europe's economic situation is forecast¹ to deteriorate further and fast, intensifying the risks for employment and social cohesion in the near future. We are therefore facing a deep economic downturn, which is expected to continue throughout the first half of this year and to have a profound impact on labour market developments: employment growth is expected to turn negative this year, with EU employment falling by 3.5 million jobs; the unemployment rate (7.0% in 2008) is expected to increase to 8.7% in the EU in 2009 (and from 7.5% to 9.2% in the euro area), with a further increase in 2010.

Following the assessment of the National Reform Programmes and in line with the European Economic Recovery Plan², the Commission has proposed that the guidelines for Member States' employment policies as set out in the Annex to Council Decision 2008/618/EC of 15 July 2008 are maintained for 2009 since they present a sound framework for policy guidance concerning both immediate action to tackle current economic and financial crisis as well as continuing structural reform. Member States are called on to take the guidelines into account in their employment policies.

Your Rapporteur supports the Commission's approach. Today more than ever, there is an urgent need for a rigorous implementation of the reforms in order to create quality jobs and wellbeing for European citizens. We need to pull our efforts to reverse massive restructuring, avoid jobs losses and prevent further downward pressure on wages and social security provision. We need to address the challenges of increasing unemployment and social exclusion effectively.

In this context, the following aspects are of particular importance.

Firstly, a coordinated European approach is indispensable. It should encompass both different

¹ Interim Forecast, January 2009; European Commission, DG ECFIN, 19 January 2009:
http://ec.europa.eu/economy_finance/pdf/2009/interimforecastjanuary/interim_forecast_jan_2009_en.pdf

² COM(2008)0800.

levels of governance and policy areas. Efforts by the EU and its Member States have to be coordinated better but also measures taken under the economic recovery plan to address short-term crisis have to be consistent with the EU's long-term objectives as outlined in the Lisbon Strategy.

Secondly, partnership, cooperation and dialogue are a necessary precondition of any success. In this respect, the role of the social partners is particularly important in fostering confidence in the measures taken. This applies both for short term measures and long term reforms and investment.

Finally, and with a view to the conclusion of the second Lisbon cycle and the future revision of the Employment Guidelines, the European Parliament should also be given the necessary time to fully implement its consultation role as defined in Article 128(2) of the Treaty.