



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.12.1997
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Draft
Resolution of the Council
on
The 1998 Employment Guidelines

(presented by the Commission)

Communication of the Commission for a

Draft Resolution of the Council

on

The 1998 Employment Guidelines

At the Amsterdam summit, the European Council decided to make certain provisions of the new employment Title of the Treaty immediately effective and to hold a special summit on employment. Accordingly, the Commission adopted, on 1 October 1997, a communication entitled Proposal for Guidelines for Member States Employment Policies 1998. This communication was addressed to the Council, the European Parliament, the Economic and Social Committee, and the Committee of the Regions, and it served as a framework for the discussion prior to the special meeting of the European Council on employment which took place in Luxembourg on 20/21 November 1997.

In accordance with the agreement reached by the European Council on the guidelines as set out in the Presidency's Conclusions of the meeting of 20-21 November 1997, the Commission is now presenting a draft resolution of the Council on the 1998 Employment Guidelines for adoption. The guidelines centre on four main lines of action: improving employability, developing entrepreneurship, encouraging adaptability of businesses and their employees, and strengthening the policies for equal opportunities. Nineteen specific guidelines are highlighted.

The Commission undertakes to prepare and submit in due course the reports requested by the European Council. The Commission will also in due course make preparations for the submission of the Joint Report to the Vienna European Council and for the adoption of the 1999 employment guidelines.

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THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community;

In accordance with the Resolution of the Amsterdam European Council on growth and employment which referred to the procedure as envisaged in the new Title on employment in the Treaty and stated that the Council should seek to make those provisions immediately effective;

On the basis of the Conclusions of the extraordinary European Council meeting on Employment (20-21 November 1997);

Having regard to the draft from the Commission and the Commission Communication 'Proposal for Guidelines for Member States Employment Policies 1998' of 1 October 1997;

Having regard to the Resolution embodying the contribution of the European Parliament to the extraordinary European Council meeting on Employment;

Having regard to the opinion of the Economic and Social Committee on the Commission Communication;

Having regard to the contribution of the Committee of the Regions to the extraordinary European Council meeting on employment;

Having regard to the opinion of the Employment and Labour Market Committee;

Having regard to the opinion of the Economic Policy Committee;

Having regard to the Social Partners' contribution to the extraordinary European Council meeting on employment;

Whereas the issue of employment is central to the concerns of Europe's citizens and every effort must be made to combat unemployment, the unacceptable level of which poses a threat to the cohesion of our societies;

Whereas an overall strategy is required including three aspects:

- (1) the continuation and development of a coordinated macroeconomic policy, underpinned by an efficient single market,
- (2) the harnessing of all Community policies in support of employment, and
- (3) the coordination of Member States employment policies based on common lines of approach for both objectives and means, with a view to converging towards jointly set, verifiable and regularly updated targets, which should be incorporated in national employment action plans elaborated by Member States;

Whereas such coordination of Member States' employment policies is to be implemented through the adoption of employment guidelines which are consistent with the broad economic policy guidelines and which set specific targets, the achievement of which is regularly monitored under a common procedure for assessing results;

Whereas the guidelines are based on four main lines of action: improving employability, developing entrepreneurship, encouraging adaptability of businesses and their employees to enable the labour market to react to economic changes, and strengthening the policies for equal opportunities;

Whereas the implementation of the strategy requires the combined efforts of all concerned: Member States, regions, social partners and Community institutions, and whereas the European Parliament and the European Investment Bank have manifested their commitment in that respect;

Whereas the guidelines will have to be incorporated into national employment action plans so that they are given practical effect in the form of national objectives which are quantified wherever possible and appropriate, followed by their transposition into national regulatory, administrative and other measures;

Whereas the national employment action plans will set deadlines for achieving the desired result in the light, inter alia, of the administrative and financial resources which can be drawn upon;

Whereas the objective of these measures is to arrive at a significant increase in the employment rate in Europe on a lasting basis;

Whereas preventive measures are of particular importance to reverse the trend of youth unemployment and long-term unemployment through early identification of individual needs and tailor-made responses and whereas active employability measures are systematically to be given precedence over passive support measures;

Whereas common indicators, based on comparable statistics, are important for the effective monitoring and assessment of employment policies and for the identification of good practices;

HEREBY ADOPTS THIS RESOLUTION

1. The 1998 Employment Guidelines appended hereto are adopted;
2. The Member States shall take these Guidelines into account in their employment policies;
3. Each Member State will draw up every year, in a multiannual perspective, a national employment action plan in which it will establish its attitude to each of the Guidelines, and will send this plan to the Council and the Commission, together with a report on the manner of its implementation;

4. The Member States are invited
 - a) to submit their first national employment action plan based on these Guidelines to the Council and the Commission in sufficient time before the Cardiff European Council;
 - b) to provide the Council and the Commission with an annual report on the principal measures taken to implement their employment policies in the light of the Guidelines with a view to the joint annual report which the Council and the Commission shall make to the European Council.
5. The Council undertakes to
 - a) carry out in the second half of 1998, on the basis of the reports referred to in 4.b) an examination of the implementation of the employment policies of the Member States in the light of the Guidelines;
 - b) prepare jointly with the Commission, on the basis of an initial Commission draft, a report on the employment situation in the Community and on the implementation of the Guidelines which will be submitted to the Vienna European Council;
6. The Council notes that the Commission undertakes to communicate by 15 October 1998 draft guidelines for Member States employment policies in 1999;
7. The Council affirms that the social partners at all levels have an important contribution to make to the implementation of the Guidelines, and that this contribution will be regularly assessed, including with the Commission and the Council, and in the course of six-monthly meetings with a troika at Heads of State and Government level and the Commission.

THE 1998 EMPLOYMENT GUIDELINES

I. IMPROVING EMPLOYABILITY

- Tackling youth unemployment and preventing long-term unemployment

In order to influence the trend in youth and long-term unemployment the Member States will develop preventive and employability-oriented strategies, building on the early identification of individual needs; within a period to be determined by each Member State which may not exceed five years and which may be longer in Member States with particularly high unemployment, Member States will ensure that:

- *every unemployed young person is offered a new start before reaching six months of unemployment, in the form of training, retraining, work practice, a job or other employability measure;*
- *unemployed adults are also offered a fresh start before reaching twelve months of unemployment by one of the aforementioned means or, more generally, by accompanying individual vocational guidance.*

These preventive and employability measures should be combined with measures to promote the re-employment of the long-term unemployed.

- Transition from passive measures to active measures

Benefit and training systems – where that proves necessary – must be reviewed and adapted to ensure that they actively support employability and provide real incentives for the unemployed to seek and take up work or training opportunities. Each Member State:

- *will endeavour to increase significantly the number of persons benefiting from active measures to improve their employability. In order to increase the numbers of unemployed who are offered training or any similar measure, it will in particular fix a target, in the light of its starting situation, of gradually achieving the average of the three most successful Member States, and at least 20%.*

- Encouraging a partnership approach

The actions of the Member States alone will not suffice to achieve the desired results in promoting employability. Consequently

- *the social partners are urged, at their various levels of responsibility and action, to conclude as soon as possible agreements with a view to increasing the possibilities for training, work experience, traineeships or other measures likely to promote employability;*
- *the Member States and the social partners will endeavour to develop possibilities for lifelong training.*
- Easing the transition from school to work

Employment prospects are poor for young people who leave the school system without having acquired the aptitudes required for entering the job market. Member States will therefore:

- *improve the quality of their school systems in order to reduce substantially the number of young people who drop out of the school system early;*
- *make sure they equip young people with greater ability to adapt to technological and economic changes and with skills relevant to the labour market, where appropriate by implementing or developing apprenticeship training.*

II. DEVELOPING ENTREPRENEURSHIP

- Making it easier to start up and run businesses by providing a clear, stable and predictable set of rules and by improving the conditions for the development of risk capital markets. The new facilities offered by the EIB combined with the Member States' efforts will enable new businesses to be set up more easily. The Member States should also reduce and simplify the administrative and tax burdens on small and medium-sized enterprises. To that end the Member States will:
 - *give particular attention to reducing significantly the overhead costs and administrative burdens for businesses, and especially small and medium-sized enterprises, in particular when hiring additional workers;*
 - *encourage the development of self-employment by examining, with the aim of reducing, any obstacles which may exist, especially those within tax and social security regimes, to moving to self-employment and the setting up of small businesses, in particular by employed persons.*

- Exploiting the opportunities for job creation

If the European Union wants to deal successfully with the employment challenge, all possible sources of jobs and new technologies and innovations must be exploited effectively. To that end the Member States will:

- *investigate measures to exploit fully the possibilities offered by job creation at local level, in the social economy and in new activities linked to needs not yet satisfied by the market, and examine, with the aim of reducing, any obstacles in the way of such measures.*
- Making the taxation system more employment friendly and reversing the long-term trend towards higher taxes and charges on labour (which have increased from 35% in 1980 to more than 42% in 1995). Each Member State will:
 - *set a target, if necessary and taking account of its present level, for gradually reducing the overall tax burden and, where appropriate, a target for gradually reducing the fiscal pressure on labour and non-wage labour costs, in particular on relatively unskilled and low-paid labour, without jeopardizing the recovery of public finances or the financial equilibrium of social security schemes. It will examine, if appropriate, the desirability of introducing a tax on energy or on pollutant emissions or any other tax measure;*
 - *examine, without obligation, the advisability of reducing the rate of VAT on labour-intensive services not exposed to cross-border competition.*

III. ENCOURAGING ADAPTABILITY OF BUSINESSES AND THEIR EMPLOYEES

- Modernizing work organization

In order to promote the modernization of work organization and forms of work:

- *the social partners are invited to negotiate, at the appropriate levels, in particular at sectoral and enterprise levels, agreements to modernize the organization of work, including flexible working arrangements, with the aim of making undertakings productive and competitive and achieving the required balance between flexibility and security. Such agreements may, for example, cover the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, the development of part-time working, lifelong training and career breaks;*

- *for its part, each Member State will examine the possibility of incorporating in its law more adaptable types of contract, taking into account the fact that forms of employment are increasingly diverse. Those working under contracts of this kind should at the same time enjoy adequate security and higher occupational status, compatible with the needs of business.*
- Support adaptability in enterprises

In order to renew skill levels within enterprises Member States will:

- *re-examine the obstacles, in particular tax obstacles, to investment in human resources and possibly provide for tax or other incentives for the development of in-house training; they will also examine any new regulations to make sure they will contribute to reducing barriers to employment and helping the labour market adapt to structural change in the economy.*

IV. STRENGTHENING THE POLICIES FOR EQUAL OPPORTUNITIES

- Tackling gender gaps

Member States should translate their desire to promote equality of opportunity into increased employment rates for women. They should also pay attention to the imbalance in the representation of women or men in certain economic sectors and occupations. Member States will:

- *attempt to reduce the gap in unemployment rates between women and men by actively supporting the increased employment of women and will act to reverse the under-representation of women in certain economic sectors and occupations and their over-representation in others.*

- Reconciling work and family life

Policies on career breaks, parental leave and part-time work are of particular importance to women and men. Implementation of the various Directives and social-partner agreements in this area should be accelerated and monitored regularly. There must be an adequate provision of good quality care for children and other dependents in order to support women's and men's entry and continued participation in the labour market. The Member States will:

- *strive to raise levels of access to care services where some needs are not currently met.*

- Facilitating reintegration into the labour market

The Member States will:

- *give specific attention to women, and men, considering a return to the paid workforce after an absence and, to that end, they will examine the means of gradually eliminating the obstacles in the way of such return.*

- Promoting the integration of people with disabilities into working life

The Member States will:

- *give special attention to the problems people with disabilities may encounter in participating in working life.*

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