



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

**COUNCIL DECISION**

**On guidelines for the Employment Policies of the Member States**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

The new Lisbon strategy operating from 2005 onwards is based on a new cycle of governance with an integrated package of guidelines remaining valid until 2008. Based on the integrated guidelines, which encompass economic, social and environmental dimensions, Member States have drawn up their national reform programmes, which set out their three year strategy to deliver growth and jobs.

The assessment of the national reform programmes by the Commission is set out in the Annual Progress Report and in the accompanying draft Joint Employment Report, which will be adopted in accordance with the procedure of Article 128(1) of the Treaty. The assessment confirms that employment is increasing and unemployment is falling. However, productivity growth and quality of jobs remain below Europe's needs. The responsiveness of European labour markets to the challenges of globalisation and ageing remain critical issues. Furthermore the analysis of the NRPs indicates the following key issues on each of the three European Employment Strategy priorities:

- Attracting and retaining more people in employment sees most policy implementation. More attention has been paid to an integrated lifecycle approach to work but policies for young people, women and older workers are still mostly treated separately.
- The implementation reports show the weakest policy implementation in the area of improving the adaptability of workers and enterprises. A more comprehensive approach is necessary, better combining flexibility and security. An integrated flexicurity approach is receiving attention but a range of policy pathways needs to be developed to further flexicurity in all Member States.
- There is quite some focus on structural reforms of education and training systems and their link with the labour market. However, coherent and comprehensive strategies still need to be set up in many Member States. Training initiatives still tend to be focussed predominantly on young people and participation in lifelong learning by those over 45 remains worrying low.

These conclusions confirm the policies and the reform agenda expressed in the current Employment Guidelines. For procedural reasons laid down in Article 128(2), their validity for 2007 needs to be confirmed by a Council decision, following consultation of the EP, the Committee of Regions, the European Economic and Social Committee and the Employment Committee.

Proposal for a

## **COUNCIL DECISION**

### **On guidelines for the Employment Policies of the Member States**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 128(2) thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>3</sup>,

Having consulted the Committee of the Regions,

Having regard to the opinion of the Employment Committee<sup>4</sup>,

Whereas:

- (1) The reform of the Lisbon Strategy in 2005 has placed the emphasis on growth and jobs. The Employment Guidelines of the European Employment Strategy and the Broad Economic Policy Guidelines have been adopted as an integrated package<sup>5</sup>, whereby the European Employment Strategy has the leading role in the implementation of the employment and labour market objectives of the Lisbon Strategy.
- (2) The Union must mobilise all appropriate national and Community resources - including cohesion policy - in the Lisbon strategy's three dimensions (economic, social and environmental) so as better to tap into their synergies in a general context of sustainable development<sup>6</sup>.
- (3) The Employment Guidelines and the Broad Economic Policy Guidelines should be fully reviewed only every three years, while in the intermediate years until 2008 their updating should remain strictly limited to ensure the degree of stability that is necessary for effective implementation.

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<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

<sup>3</sup> OJ C , , p. .

<sup>4</sup> Opinion of

<sup>5</sup> OJ L 205, 6.8.2005 p. 21 (Employment Guidelines) and p. 28 (Broad Economic Policy Guidelines).

<sup>6</sup> Cf. OJ L 205, 6.8.2005 (Employment Guidelines), Recital 4.

- (4) The examination of the Member States' National Reform Programmes contained in the Commission's Annual Progress Report and in the Joint Employment Report shows that Member States should continue to make every effort to address the priority areas of
- attracting and retaining more people in employment, increasing labour supply and modernising social protection systems,
  - improving adaptability of workers and enterprises, and
  - increasing investment in human capital through better education and skills.
- (5) The European Council of 23/24 March 2006 stressed the central role of employment policies in the framework of the Lisbon agenda and the necessity of increasing employment opportunities for priority categories, within a life-cycle approach. In this connection, it approved the European Pact for Gender Equality that should further heighten the profile of gender mainstreaming and give impetus to improving the perspectives and opportunities of women on a broad scale.
- (6) The removal of obstacles to mobility for workers, as elaborated by the Treaties, including the Treaties of accession, should strengthen the functioning of the internal market and enhance its growth and employment potential.
- (7) In the light of both the Commission's examination of the National Reform Programmes and the European Council conclusions, the focus should now be on effective and timely implementation, paying special attention to the agreed quantitative targets as laid down in the 2005-2008 guidelines, and in line with the conclusions of the European Council.
- (8) Member States should take the Employment Guidelines into account when programming their use of Community funding, in particular of the European Social Fund.
- (9) In view of the integrated nature of the guideline package, Member States should fully implement the Broad Economic Policy Guidelines.

HAS ADOPTED THIS DECISION:

*Article 1*

The guidelines for Member States' employment policies as set out in the Annex to Council Decision 2005/600/EC of 12 July 2005 on Guidelines for the employment policies of the Member States are maintained for 2007 and shall be taken into account by the Member States in their employment policies.

*Article 2*

This Decision is addressed to the Member States.

Done at Brussels,

*For the Council  
The President*