COM-6/037

Brussels, 29 November 2001

OPINION

of the Committee of the Regions

of 14 November 2001

on the

Proposal for a Council decision on Guidelines for

Member States' employment policies for the year 2002

(COM(2001) 511 final – 2001/0208 (CNS))

The Committee of the Regions

HAVING REGARD TO the Proposal for a Council Decision on guidelines for Member States' employment policies for the year 2002, COM(2001) 511 final – 2001/0208 (CNS);

HAVING REGARD TO the decisions of the Council on 17 October 2001, under Articles 128 and the first paragraph of Article 265 of the Treaty establishing the European Community, to consult it on this matter;

HAVING REGARD TO the decision taken by its Bureau on 12 June 2001 to draw up an opinion on this matter and to instruct Commission 6 for Employment, Economic Policy, Single Market, Industry and SMEs to undertake the preparatory work;

HAVING REGARD TO its opinion on the Communication from the Commission - From guidelines to action: the National Action Plans for Employment and the Communication from the Commission - Proposals for guidelines for Member States' employment policies 1999, adopted on 19 November 1998 (CdR 279/98 fin)[1];

HAVING REGARD TO its opinion on the forthcoming economic policy guidelines, adopted on 19 November 1998 (CdR 110/98 fin)[2];

HAVING REGARD TO its opinion on territorial pacts for employment, and the link between them and the European Union's structural policies, adopted on 3 June 1999 (CdR 91/99 fin)[3];

HAVING REGARD TO its opinion on the Report of the Business Environment Simplification Task Force (BEST) and the Commission Communication - Promoting entrepreneurship and competitiveness: the Commission's response to the BEST task force report, adopted on 3 June 1999 (CdR 387/98 fin)[4];

HAVING REGARD TO its resolution on the European Employment Pact, adopted on 2 June 1999 (CdR 156/99 fin)[5];

HAVING REGARD TO its opinion on the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions - The competitiveness of European enterprises in the face of globalisation: How it can be encouraged, adopted on 18 November 1999 (CdR 134/99 fin)[6];

HAVING REGARD TO its opinion on the Proposal for guidelines for Member States' employment policies 2000, adopted on 18 November 1999 (CdR 360/99 fin)[7];

HAVING REGARD TO its resolution on the implementation of the European Employment Strategy, adopted on 12 April 2000 (CdR 461/99 fin)[8];

HAVING REGARD TO its opinion on the Proposal for a Council Decision on guidelines for Member States' employment policies for the year 2001 and the Proposal for a Decision of the European Parliament and of the Council on Community incentive measures in the field of employment (CdR 310/2000 fin)[9];

HAVING REGARD TO its President's decision of 12 October 2001 to appoint **Mrs Stark** as rapporteur general to draw up an opinion on this subject, in accordance with rule 40.2 of the Rules of Procedure of the Committee of the Regions;

HAVING REGARD TO the draft opinion CdR 271/2001 rev. 1, drawn up by the rapporteur-general, **Mrs Stark** S-PES, Member of the Regional Executive Board, Vastra Götaland Region;

adopted unanimously the following opinion at its 41st plenary session, held on 14/15 November 2001 (meeting of 14 November):

1. **Comments of the Committee of the Regions on the employment guidelines**

    1. The Committee of the Regions welcomes the continuity which in recent years has characterised the European employment strategy; the four-pillar structure and the various guidelines stand firm and remain unchanged. The CoR therefore sees no reason to propose any major changes, but focuses its opinion mainly on those changes which can be suitably/advantageously implemented after the ongoing review of the effects of the guidelines has been completed. The CoR considers that such future changes may also require amendments to existing treaties.

    2. The CoR notes with satisfaction that the Commission has drawn attention in the guidelines to the contribution of local and regional authorities. A number of the proposals presented were fully in line with what the CoR has suggested in earlier opinions. The subsidiary and proximity principles hold the key to Europe's future. Participation is an important aspect in judging the legitimacy of political systems and

facilitating effective solutions.

3. Practically all employment guidelines for 2002 raise issues for which local and regional authorities in the majority of Member States have part or whole responsibility. This includes everything from youth unemployment to local action to promote employment and measures to support adaptability within companies and boost equality. The CoR would therefore point to the importance of taking the "bottom-up" perspective into account in both the EU's employment guidelines and national action plans.

4. The CoR wishes to draw attention to the fact that it is not enough to acknowledge the importance of local and regional authorities; they must also be given a mandate and tools to work with. The Commission has noticed the need to differentiate action in view of increasing regional differences and "bottle-neck" problems. No level of society in the EU today has at its disposal all the powers and opportunities required to produce desirable and adequate solutions. The local and regional authorities must therefore, along with other players - particularly local businesses - be effectively equipped to frame their own strategies and action plans for local growth in a coordinated manner in keeping with EU employment strategy, and as part of the relevant Member State's strategy. The CoR welcomes the Commission's emphasis that partnership at all levels is to be encouraged and that both the social partners and local and regional authorities and representatives of civil society should be given the opportunity to contribute. The CoR would like, however, to point out to the Member States that, should decisions lead to increased costs for municipalities, county councils and regions, compensation will have to be provided by the central government.

5. In the CoR's opinion, the Member States must be required to notify the Commission of both the measures taken to implement the directive and the extent to which these measures were carried out at national, local and regional level. In the experience of the CoR, local/regional authorities are unfamiliar with the European employment strategy and the contents of the national action plans. National action plans fail to an even greater extent to reflect the strategies developed at local and/or regional level in different places in Europe. The CoR therefore calls for the Member States to report on what they are doing to facilitate the framing of local action plans, encouraging cooperation between the social and regional partners and representatives of civil society, in order to achieve a high level of employment.

6. The Commission's recognition of the importance of mobilising all regional and local players for the purpose of executing the employment strategy does not automatically mean that the Member States have taken this message on board. There is a general understanding amongst municipal/regional bodies that the Member States have kept too tight a grip on regional and local development issues. To the CoR's knowledge, this also goes for local and regional action plans, with the result that some of these plans do not reflect the aims of the EU's employment strategy. Furthermore, they often focus, to an excessive extent, exclusively on one of many policy areas, for example a unilateral business perspective.

7. The Committee of the Regions would underline the significance of long-term employment strategies and how important it is that these strategies have an impact at both national and regional/local level. The strategies should be sustainable and not be influenced by, for example, short-term economic swings. If the European employment strategy, which was ratified in Lisbon, is to make an impact and if its goals are to be attained, the national consultation process must be widened and deepened. Cooperation between central government and elected representatives at local and regional level must be strengthened - as must the pooling of officials' expertise - during the proposal,

decisionmaking and implementation stages.

8. The forthcoming review of the European employment strategy in 2003 should lay the foundations for future changes. The CoR would advocate a longer timespan for the employment guidelines. Instead of annual guidelines and recommendations, the EU should be able to set objectives to be realised in two or three years' time. Similarly, the Member States could be required to present national action plans every second or third year, but compulsory annual reports at each spring summit. In the space of a year it is impossible for national, regional or local authorities to translate the guidelines into practical action or to make an impact and report on the results achieved. This proposal presupposes amendments to the Treaty (Article 128), which could be discussed by the Intergovernmental Conference in 2004.

9. This reform does not mean, however, that the CoR recommends deviation from the principles adopted at the Amsterdam summit where it was agreed that employment was an issue of common interest to be tackled at Community level. The CoR therefore recommends that employment issues remain on the agenda at the forthcoming summit.

10. With a view to increasing communication between different levels of society and bringing about a meaningful exchange of information the CoR proposes that the Commission overhaul its guidelines for the coming year. The CoR believes that work at all levels would be facilitated if there were fewer and more easily understood guidelines. Indicators are important, but within the EU only those which the Member States can readily interpret should be applied. There is every reason to slash redtape and also to try to spread simple yet forceful messages. In the CoR's view the four pillars in the EU employment strategy fully suffice as messages for the purpose of the requisite national, regional or local development measures. Here, the CoR could also envisage the phasing-out of the current horizontal objectives.

11. The CoR would suggest that the Commission and Member States frame indicators which facilitate benchmarking and take account of regional and local developments and impact. Apart from the employment situation, these include indicators which make it possible to assess the expansion of the European labour market, consistency between different social systems and promotion of entrepreneurship. The CoR recommends an employment strategy which both takes account of regional policy aims and secures economic growth within the Union. The CoR feels that it is important for different areas of policy to be mutually supportive and is pleased to note that the EU's employment strategy's sustainability principle has been backed by an environmental dimension along with the economic and social issues addressed, as decided at the Lisbon, Feira and Stockholm meetings.

12. The CoR welcomes the Commission's resolve, in its drive to achieve full employment, to combine efforts to create both more and better employment. The CoR would draw the Commission's attention to the risk that "flexible" solutions can prove to be traps for women workers if flexibility results in the wages of some women being insufficient to live on and impact negatively on social security benefits. To avoid this danger, the CoR believes that the Member States and the social partners must promote policies to integrate work and family life, which would benefit both employers and workers.

13. The CoR would stress the importance of social integration and the need to fight xenophobia. In the CoR's opinion, this can be most effectively achieved by promoting social participation and protecting the right of all to work. Increasingly often a large number of people are barred from the job market, sometimes because of their lack of skills or because job opportunities have disappeared in their local area; all too often,

however, the reason is that the individual's resources are overlooked. In the Europe of the future demographic changes dictate that we let all who can work into the labour market. In years to come we will not - as happens in many places today - be able to turn away potential workers. We live in a multi-cultural society, which must be reflected in the workplace.

14. The CoR feels that the time has come to review the concept of equality and equal opportunities. Many local measures to promote equality in the context of the European employment strategy focus not only on women but on other groups as well. The CoR would therefore propose that the Commission be given the task, before the 2004 Intergovernmental Conference, of studying whether policy on equality should in future encompass measures to promote equality regardless of gender, ethnic background, religion, age, sexual inclination and physical or mental disability.

15. The CoR would highlight the importance of developing ways and means of enabling the applicant countries to actively embrace the European employment strategy's aims and join in its implementation. Up to now discussions have mainly revolved around mobility of labour, and fear that enlargement could have negative consequences for the current Member States. The CoR believes that enlargement will create new opportunities for growth and employment but it would warn that the applicant countries risk losing their most skilled workers if economic growth is too slow. The CoR considers that deeper inter-cultural understanding is just as important as increased economic cooperation and advocates a policy which in principle embraces all regions.

16. In conclusion, the CoR would like to stress that many citizens in the Member States have found it difficult, politically and emotionally, to adapt to EU thinking. The EU's decisions must be framed so as to be transparent and all levels of society should be jointly responsible for spreading information about them. As mentioned earlier, in the CoR's experience very little is known at local or regional level of the thrust of the EU's employment strategy and its guidelines. The CoR is therefore eager to press ahead - jointly with the Commission - with the work initiated by the campaign "Local action to promote employment". The aim is to disseminate information on the EU's employment objectives and to exchange experiences of successful job creation projects at local/regional level. This information campaign presupposes the active involvement of a large number of distributors. Only if we can show in practice that the Union is pursuing a successful employment policy, can we count on broad public support and then foster a feeling of loyalty to the Union.

2. **Recommendations of the Committee of the Regions regarding the horizontal Objectives - Building conditions for full employment in a knowledge-based society**

1. The Member States are responsible for the horizontal labour and employment policy. The local authorities' role is specified in guideline 11. However, the CoR feels that other questions are directly linked with the local authorities' sphere of responsibility and that this factor should not be overlooked in the other guidelines.

2. If the European employment strategy is to make an impact and if its goals are to be attained, the national consultation process must be widened and deepened. The CoR therefore proposes that cooperation between central government and elected representatives at local and regional level must be strengthened - as must the pooling of officials' expertise - during the proposal, decisionmaking and implementation stages.

3. The CoR considers that the local dimension of the European employment strategy is a major factor for implementation of the national action plans. In order to promote job

creation throughout Europe, it would seem essential to take heed of the local/regional dimension when amplifying and revising the European employment strategy (EES) in the run-up to 2003.

4. The forthcoming review of the European employment strategy in 2003 should lay the foundations for future changes. The CoR would advocate a longer timespan for the employment guidelines. Instead of annual guidelines and recommendations, the EU should be able to set objectives to be realised in two or three years' time. Similarly, the Member States could be required to present national action plans every second or third year, possibly with short annual reports. In the space of a year it is impossible for national, regional or local authorities to translate the guidelines into practical action or to make an impact and report on the results achieved. The proposal presupposes amendments to the Treaty (Article 128), which could be discussed at the IGC in 2004.

5. The CoR would therefore propose that the Commission be given the task, before the IGC in 2004, of studying whether policy on equality should in future encompass measures to promote equality regardless of gender, ethnic background, religion, age, sexual inclination and physical or mental disability.

6. Indicators are important, but the CoR recommends that within the EU only those which the Member States can readily interpret should be applied.

7. The CoR would suggest that the Commission and Member States frame indicators which facilitate benchmarking and take account of regional and local developments and impact.

3. **The CoR’s views and recommendations on the employment guidelines**

1. In the CoR's opinion, the Member States must be required to notify the Commission of both the measures taken to implement the directive and the extent to which these measures have been carried out at national, local and regional level. In the experience of the CoR, local/regional authorities are unfamiliar with the European employment strategy and the contents of the national action plans.

2. The CoR calls for the Member States to report on what they are doing to facilitate the framing of local action plans.

3. The CoR observes that all guidelines, except possibly for guideline 12, concern matters that fall within the remit of local and regional authorities in most Member States, by virtue of their different roles. The CoR therefore proposes that a specific reference be included in the guidelines for 2003 to the role played by local and regional authorities in implementing the European employment strategy.

4. The CoR would highlight the importance of developing ways and means of enabling the applicant countries to actively embrace the European employment strategy's aims and join in its implementation.

5. The CoR is therefore eager to press ahead - jointly with the Commission - with the work initiated by the campaign "Local action to promote employment". The aim is to disseminate
information on the EU's employment objectives and to exchange experiences of successful job creation projects at local/regional level.

Brussels, 14 November 2001

The President of the Committee of the Regions

Jos Chabert

The Secretary-General of the Committee of the Regions

Vincenzo Falcone

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